THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established In 1917

January 24, 1948

NORTH CHINA'S PLIGHT

AN EDITORIAL

Impressions Of The Liberated Areas

An UNRRA Worker

Report From Free India

Harin Shah

A New Program For China In 1948

Wang Chi-lu

PROPAGANDA & DEFEATISM

AN EDITORIAL

VOLUME 108 CNC$20,000 NUMBER 8

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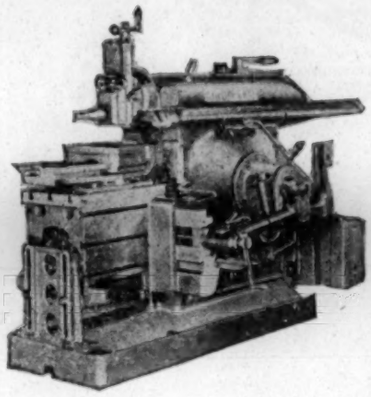

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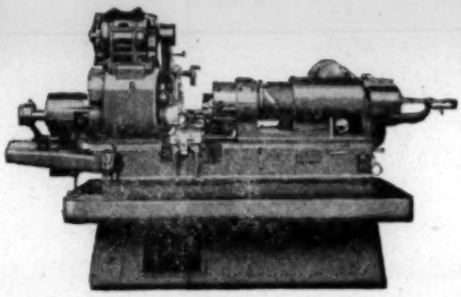

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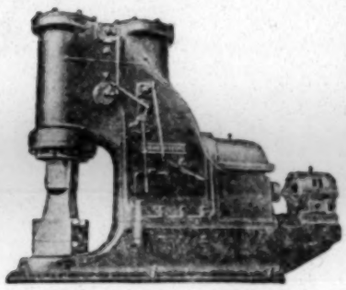

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LETTERS From The People

Comments from readers on current topics are cordially invited: their opinions, however, do not necessarily represent the views of The China Weekly Review.

Unfinished Revolution

To The Editor:

Deepest thanks to Mr. J. B. of Nanking, a cordial though unacquainted friend. His kind concern about my safety during my silence has greatly impressed me and given me unforgettably warm solace in this cold and cruel winter.

I have been sick since mid-November, with a very complicated disease: acute pneumonia together with typhoid. Because of poverty, I could not apply the quickest and most effective treatment—penicillin and streptomycin. At that time, one bottle of penicillin of 200,000 Oxford units cost CNC$150,000 and streptomycin's price was six times higher than that of penicillin. According to the doctor, at least three bottles of penicillin and six bottles of streptomycin were needed. To the millionaires this would mean nothing but how is it possible for a low-salaried school teacher to afford it?

Hangchow is a modern city with good doctors and supplies of modern medicines. But what is the use of these to the poor common people? Even if everything should be modernized in China, as long as economic conditions remains unequal and feudalistic, the modern equipment is useless to the people.

But thanks to Dr. Domagk of Germany, who discovered the sulfa drugs some 12 years ago, I took sulfa instead and finally escaped from the hands of Death.

The safety of my humble and worthless body was not threatened this time by what Mr. J. B. thought, but by the present system in China (the rich getting richer and the poor getting poorer) supported and strongly protected and guarded by the vested interests of the present regime, the so-called revolutionary Kuomintang. Needless to say, not until China becomes a full-fledged democratic country with economic equality and political freedom, will the security and prosperity of the Chinese masses, including you, Mr. J. B., and me be fully guaranteed.

Democracy can't be obtained as easily as Christians are told they can enter Paradise. A sacred and hard struggle is needed for it. The path before the Chinese today is either to be slaughtered, die of starvation, or exist and fight.

Sometimes ago Mr. Tsai Hsin-jen of Chengtu asked me what is and where rests the force of the Chinese masses. I would advise him not to be so pessimistic. The masses' force can be found everywhere. The Chinese people will grow out from the utmost distress and hardships. While fighting against the modern oppressors and reactionaries in today's China, their force is growing stronger every day. The future of China will be determined by the will and force of the people and not by the despotic rulers. Everyone, who offends the peaceful and freedom-loving people on this soil will surely be doomed.

It is ironic that to those followers of the revolutionary KMT, the only thing they fear in their awkward minds are the words of their leader, the late Dr. Sun Yat-sen: "unfinished revolution."

EVER HIGH YANG.

Hangchow,
January 8, 1948.

THE CHINA WEEKLY REVIEW

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The Unconquered

To The Editor:

Dr. Amos Wang's view on "American Aid to China" (the *Review* December 20, 1947) is ridiculous. He shouted loudly in this article for US aid. Every Chinese with a brain is aware of what US aid means to us Chinese lao pai hsing. The more US loans and munitions granted and sent to the KMT, the more intensified will be the Chinese sufferings. Right after VJ Day, we took America as one of our best friends and hoped that it would lend a hand in our national reconstruction. But what the US has done in the past two years is interfere with our domestic affairs, trying to colonize China by making the unequal Sino-America Commercial Pact and dumping US goods on China's market. Its imperialistic ambition has been fully uncovered.

With the arrival of US weapons and loans, the Civil War has widely spread and intensified. Except for those war-mongers and men like Dr. Wang, behaving pitifully before their master and begging for US aid regardless of the suffering of the masses, no lao pai hsing still clamours for aid from the US. Perhaps those people such as Wang still believe that the CP can be annihilated by US weapons. But if Wang has been studying current political affairs and military development on both sides, he will clearly see the outcome of the past two years' war and the obvious reversal in the superiority of the two sides. The Communists, instead of being eliminated by US-equipped forces, have been growing stronger every day with the support of the people and also by acquiring more US equipment from the KMT.

"The Japanese proved that the Chinese can be subjugated and kept under control by ruthless methods." I wondered whether this was the utterance of a Japanese or of some pro-Japanese element. The heroic and unforgettable deeds in the past eight years of millions of Chinese patriotic students, peasants and people of all strata who fought bravely at the front, and worked dangerously in Japanese occupied areas, have shown to the world that we Chinese are unconquerable and will never be subjugated either by Japan or any other imperialistic countries.

We think, Dr. Wang as a specialist in obstetrics, could make better use of his time and his well written English in obstetrics rather than in expressing his ridiculous political views.

A GROUP OF CHINESE STUDENTS.
Shanghai,
January 9, 1948.

Organize For Peace

To The Editor:

Herewith is an open letter to all students of the world. Its publication in your *Review* will be greatly appreciated.

Dear Friends:

Within this recent half century humanity has suffered two terrible devastations which have caused painful and heart-rending losses. Now, that the wars are ended we have time to think over our past experience. This consideration makes us tremble. We feel that humanity, which for innumerable years has been striving and suffering, is now on the verge of perishing. War will be our executor, for, with the progress of science, war will be able to destroy the whole of humanity within a fortnight. If we cannot conquer war we—the whole of humanity—will be its victims. In making this statement, we do not exaggerate. This is a conclusion made from our experience. We think therefore an effort to preserve the lasting peace for the world is necessary.

For world-peace many endeavors have been made as we have seen in history.

There have been the Congress of Vienna, the Hague Peace Conference and the Paris Conference with its League of Nations. But all of these have proved failures. Again and again peace organizations appeared and again and again war broke out. The more war gained victories over peace the more ferocious they became. Today war is standing as a threat to human existence and we seem to see its stern eyes looking at us. On April 25, 1945, not long after the collapse of Germany, the San Francisco Conference was held and the United Nations was born. Its purpose was but the aim of the League of Nations—the maintenance of world peace. Past experience made its contribution and the organization and its workings were better-planned, and more effective. However the Conference commenced in a grave atmosphere and closed in one of gloom. Once more hopes for world peace became dim.

The present facts remind us of a solid truth that it is impossible for one man, one society or one conference to create a lasting peace and that if the whole of humanity is going to enjoy the bliss of peace in the future, the whole of humanity should support it at present. And we believe that if every individual in the world had faith in peace-making and the courage to attempt to bring it about, world peace would not be unattainable. Don't regard peace as too remote, or fantastic. Don't consider material forces too invulnerable. It is not material force that wages war over humanity, but humanity itself. That day when a religious faith in peace lives in the heart of the people of the world, shall see the advent of world peace.

We are a group of Chinese college students and the above is our faith. We urge you, therefore, to organize yourselves to give your strong support to this cause, the attainment of world peace. We are youths with blood, courage and fresh spirit and we are using our strength to begin a new movement to which we shall devote our precious lives. We repeat, fellow students, organize yourselves and give your support to the cause of world peace. This is not foolishness, the words are uttered from our hearts and minds.

Any information about your organization is welcome and correspondence is solicited. Let us look forward to the birth of peace in the world.

A thousand good wishes to you!

WUHAN UNIVERSITY WORLD PEACE PROMOTION ASSOCIATION.
Wuchang, Hupei,
January 12, 1948.

Chinese Heart

To The Editor:

For a number of years prior to the outbreak of World War II, I was a regular reader of the *Review*. It not only served in improving my knowledge of English, but also gave me a clear picture of what was going on in the world in general and in China in particular. Indeed, I derived unlimited pleasure in reading it. Your indefatigable effort to help China from all angles is commendable and, I am sure, is highly appreciated by all unselfish Chinese having the interest of the nation in mind. Your criticisms, though somewhat bitter at times, are constructive and are always prompted by a kind desire to see China become a strong country. Your present editor, like his beloved father, is an American with a Chinese heart. On the occasion of my renewing my subscription to your *Review*, I want to express my appreciation.

P. H. YUI.

Peiping,
January 6, 1948.

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The English Teacher Replies

This is a brief reply to the two readers whose letters commenting on the *REVIEW'S* English Lessons were printed in the January 3, 1948, issue.

1) To Mr. Ke of Shanghai, p. 132.

a) Your suggestion on printing a brief glossary of unusual terms at the end of the issue in which they occur is good, but almost impossible to carry out as the *REVIEW* is now published. Therefore, we have to wait for our readers to ask for the explanation of the terms that they do not understand.

b) The two grammar lessons, like most of the others to date, were something of an experiment to see what our readers want. We are grateful that you have urged us to stay away from such lessons in the future, and would be even more grateful if you could give us suggestions on what would be more helpful.

c) Your disclosure of our mistake in the Introduction to the Lessons, October 18, 1947, is correct, and we hope that you will not have to haul us up before the class again.

2) To Billions for Aid...., p. 134:

Many thanks for giving the facts behind the *Time* story used in our Lesson 9, December 13, 1947. Our main reason for choosing that story was, of course, the generous use of common slang, and the second reason was to indicate to our readers that in these days of almost unanimous censure of relief and welfare work in China, there are also less-than-perfect relief and welfare operations in other countries. Had we known the facts that your letter of December 27th brought out, we would have put the *Time* excerpt into its true perspective, but even without the background that you supplied, the section used in Lesson 9 is not full enough to be completely misleading. Your facts are entirely supported in the *New Yorker* of November 22, 1947, and we appreciate your bringing them out.

Having lived in China a number of years we are just as unhappy about *Time* as you are, and are keenly conscious of the need to choose articles from *Time* and any other source carefully. However, *Time* does carry the vocabulary and the idioms in compact form that we find in modern American speech, and that is why we use it in the English Lessons. Many thanks for your letter and your warning to check the subject matter more carefully in future.

THE ENGLISH TEACHER.

Ugly Story

To The Editor:

Your editorial on American Imperialism (the *Review*, Jan. 10, 1948) with three question marks attached, seems to indicate that the present policy pursued by the US Government is not an imperialistic one.

May I, for your reference, give you an example of the "American way of life" when it is exported to other countries? On November 5, 1947, *PM* published a "Report on Korea" by Mark Gayn, which says:

"This is a painful and ugly story to report—perhaps the ugliest of our post-war record.

"This much is on the record: the police force of Southern Korea today is larger than it was in the Japanese-run 'police-state' and the jails, regarded as adequate by the Japanese, have had to be supplemented on occasions by offices and schools hastily converted into prisons... One high US officer in Seoul estimated for me a year ago that the jail population included more than 2,000 'patriotic' leftists—or 'men who would sincerely cooperate with the US in democratizing Korea if only given a chance.'

"Another correspondent and I visited a typical county jail in one of the areas hit badly by last year's riots. There were four dark cells, about 10 feet by 15, with 128 political prisoners. In the traditional Japanese manner, the men squatted on the bare floor, facing front. In two cells, shortage of space compelled men to take turns squatting.

"The police chief, a tough, compact man, complained bitterly. He said he had submitted his report to a Major Atkinson, chief of the Police Division in the Provincial Military Government, 17 days earlier, but no action had been taken. Nor was there any response to his plea for the loan of cell space in the provincial capital.

"The chief was no amateur. He had served a 14-year apprenticeship in the Japanese police force. He indicated he had never been so busy in his career."

As I recall, there has never been any dispute about the imperialist character of the Japanese regime in Korea. Then has the character changed since "Japan's co-prosperity" has been replaced by the "American Century?"

Z. C. LIANG.

Shanghai,
January 13, 1948.

Different Freedoms

To The Editor:

On New Year's Day, one of the government organizations here posted up on either side of its gate, an antithetic couplet: "To Establish Our Democratic Government" on one side and "To Maintain Our Four Freedoms" on the other. Under the present circumstances in China, this is really ironic. The "democratic government" is thus explained as a government comprised of *min* (people) as slaves and *chu* (master) as masters (*min-chu* means democracy in Chinese). The "four freedoms" then mean freedom to embezzle, slaughter, live well and betray the people on the part of the Government officials, and freedom to drink water, breath air, dream and obey their "masters" on the part of the people.

T. C. C.

Wukang, Hunan,
January 3, 1948.

America Can Deviate

To The Editor:

Richard Lauterbach, in his book, "Danger From The East" might very well serve readers of your latest editorial, "American Imperialism???" He makes two particularly cogent points. One is that "the pattern of United States foreign policy is far more apparent to the supposedly poorly informed Asiatic than it is to the supposedly well informed American. They know what makes us tick." The other is: "The inherent danger of America's present position... is that we may force people to make a choice (which they do not want to make) between the American way and the Soviet way."

In your editorial we are afforded the sight of the editor, in a very open-minded manner, getting down to brass tacks and asking himself if America is imperialistic. He then calmly proceeds to cite some instances of untrue Chinese Communist propaganda plus the fact that

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average Americans think Soviet expansion is a bad thing and ought to be stopped. Hence, we have the present American program out here.

To explain away American imperialism on the basis of false "red propaganda" is absurd. One might just as well dismiss claims of Soviet expansion on the grounds that American information sources see the Russians in back of everything running counter to their desires.

In your choice of "exaggerated" Communist charges, one of the items mentioned refers to the injustice these people were doling out to General Rooks of UNRRA. I am in no position to know whether or not he recently came out to China as "a means of preparing the next steps in the expansion of the strength of American finance capital in China." However, in the December 27, 1947, issue of your magazine there is an article on UNRRA which gives a good deal of information on the deal between the KMT and UNRRA in relation to the Yellow River project. Briefly, this was a scheme to divide a united Liberated Area in two, by a diversion of the Yellow River, and then to conquer the two portions after breaking down the resistance of the people through the artificial floods. While the author does not mention it, there is some belief that General Rooks was one of the responsible UNRRA officials at the time.

With this as the background it is conceivable that the Chinese Communists regard Rooks as a little more involved than you seem to feel.

As regards the business of who is the real imperialist in China...or anywhere else, frankly speaking, on many occasions the whole affair borders on the obscure side...Americans are rushing about telling themselves that they only want to save China from Russian domination and so the Communists must be obstructed at all cost. As yet, there has been no concrete evidence of direct Russian aid though God knows enough attempts have been made to dig some up) therefore, it is only the *idea* of Communism that has to be stopped. And so it is the American government which has had troops, advisers, arms, ammunition and supplies here. Nobody seems to be interested in the most basic point, at least to the Chinese people, which is what will benefit the vast majority of suffering Chinese.

Why is it that the ones who came in so very late on the fight against Fascism have been on hand quite early in the fight against Communism? Agreed that there is a struggle going on in the world today. But is America fighting Communism merely because it wants "a peaceful and stable world" on its own terms, or because it is the last remaining first-class capitalistic nation in a world which, however slowly and indecisively, is developing into something Adam Smith never envisioned. The Americans were never reluctant to keep hands off when a "legal government" was being overwhelmed by its enemies from within and without in Spain in 1936. It seems that even American policy can deviate from the line...when the proper occasion arises.

AURELIUS.

Shanghai,
January 12, 1948.

Indonesian Chinese

To The Editor:

Mr. Pao Tsu Ju, the author of an article entitled "Indonesia's Future and The Chinese," (the *Review* Dec. 20, 1947) outlined that the source of massacres of Chinese in Indonesia is wholly because of Chinese indecency and hypocricy towards Indonesians. He pointed out that should the Chinese remain absolutely neutral in the present Dutch-Indonesian conflict and be tolerant towards the natives of Indonesia, by participating in humanitarian work which might promote mutual respect and understanding, then there would be no enmity between the two peoples and no atrocities would occur. I would like to tender my warm appreciation to Mr. Pao for his criticism; there are indeed those who come under his lash by the name of "egoists," but since his criticism is not objective and is likely to mislead people, I feel the need to evaluate the truth of his statement concerning his blame of the Chinese in Indonesia.

I must in candor say that here in Indonesia we have "egoists"—the unwanted elements—who often ruin and stain the record of good deeds and fame of the better class. The fact should not be overlooked that there are many people who dedicate their time and wealth to philantrophic institutions regardless of creed and color. Parsimonious elements are found in human society, in fact they are ubiquitous. No small number of them are discovered among Indonesians who care only for their own interests. So to attribute the atrocities to the hypocrisy of the Chinese is a total fallacy; it amounts to charges devoid of good grounds.

The theory laid down by Mr. Pao which blames the superiority complex of the Chinese is illogical. Superiority complex

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is bound to occur in any nation anywhere, and it is as old as the world itself. There is no discrimination as to whom it is directed. Even admitting the theory of Mr. Pao, I find it too barbarous that the not-well-to-do class experienced the same treatment and were butchered too. What is the sin of babies, children and the aged?

Mr. Pao must have been scantily informed or looked only with a "visitor's eye" on what had actually passed here. Has he tried to discover the true reasons why there are those who are more on the side of the Dutch or those who turn hypocrites? What will a man do if he finds his property, and, worst of all, his parents, brothers, sisters, wife and children taken from him by the lawless mob? Left alone, and still an ordinary human, what does he feel? What will a man think if his innocent countrymen are forced to premature death? How would Mr. Pao feel if he were to find himself driven from village to village with death always at hand and ready to come at any moment? And yet they are ignorant of the political struggle and neutral... Is there any wonder then that the Chinese prefer the Dutch? Has there been any graphic proof of the Chinese not being neutral? If there is, it must come from the after-result of the atrocities and *not before.*

A cool analysis of the tragedy is that the Chinese as traders, have successfully won a favorable economic position in the Indies and by perseverence and tenacity have challenged the Indonesians. As a consequence of their superior mercantile gifts which they have applied successfully, and especially since the Chinese population represents a minority compared with the 70,000,000 Indonesians whose envy and jealousy are rampant. Unlike their Chinese brothers, the Indonesians do not use their labor as a stepping-stone to economic pursuit. Hatred of the Chinese is deepened and intensified as a result of the Chinese steadfast attitude to maintain their culture and their own way of life, opposing the surrounding menacing influence of assimilation. The Indonesian people bear this bitterly. They hope for the day when chaotic conditions come and with it will flow freely the blood of the innocent Chinese. Tragedy could be averted if there was a strong and unified China who really cared for its overseas children.

LAUW THIAN HOK.

Batavia,
December 28, 1947.

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A Good Pretext

To The Editor:

Foreign-owned newspapers in Shanghai have already made complaints about their unfair newsprint quota. Now the tendency of publishing institutions to reap profits by buying newsprint at a low cost is becoming increasingly apparent.

On December 12, 1947, all the government subsidized newspapers in Shanghai carried a news item to the effect that the Life Bookstore in Shanghai has shipped its newsprint ration to Hongkong for sale as a means to support and subsidize Communist activities.

The dubious character of this information is evident. Aside from the fact that the newsprint ration a private-owned publishing house receives is always far below its needs, it is absurd to figure that anyone would ship the allotted newsprint to Hongkong for sale at a much lower price than that in Shanghai. It is not difficult to understand why this news item has been so widely and deliberately circulated.

Naturally every private publishing house begins feeling uneasy. One can see the danger of the private-owned publishing houses completely losing their rights to receive a newsprint ration under one pretext or another.

LIANG YUNG MIN.

Shanghai,
January 13, 1948.

Establish Confidence

To The Editor:

Since a part of Chen Yi's Communist troops slipped into Northern Kiangsu, the people here in Nantung, have been in fear that the Communists might take advantage of the cold weather to launch an offensive on the town. Having acknowledged the fact, the Nantung Garrison Headquarters together with the local authorities started, at the beginning of this month, to mobilize the population to rebuild the city wall so as to strengthen the winter defense.

As it is of paramount importance to the future security of this city, I hope all the natives of Nantung realize its significance; those who have money should contribute money and those who have strength should contribute their labor.

However, the success of suppressing the Communist rebellion does not lie only in the military defense, but also in the people's confidence as well as their spiritual support. Emperor Chin Shih Huang built the Great Wall but was overthrown all the same. In short, to stamp out the Communists, we have to strengthen our defense on one hand and establish the people's confidence on the other.

SUN TZE-HSU.

Nantung, Kiangsu,
January 3, 1948.

Undiplomatic Methods

To The Editor:

The Chinese residents in Kowloon are being left homeless and are suffering from lack of adequate government protection. This is another proof of the corruption and inefficiency of the war-loving Nanking Government. This government is now using 95 percent of its troops in waging the Civil War, leaving Kowloon City, a tiny district of its territory, unprotected. Today this government is using police force everywhere, even in the economic field, but so far no police have been sent to the said city to look after civil affairs.

These 2,000 homeless people are now being blockaded in Kowloon City. The Hongkong police have prohibited them from building any kind of shelter. As a responsible and sovereign government, the Nanking regime should immediately do something for these people. But up to the time of my writing, no rehabilitation measure has been taken by T. V. Soong's Kwangtung Provincial Government. Our Foreign Minister, Wang Shih-chih, has claimed that the problem should be settled "as a whole."

The Kuomintang politicians, however, have lost no time in taking advantage of this tragic incident. All the KMT organs in this country have been mobilized and students in various cities have been pushed to launch an anti-British movement. Their aim is very obvious. Do they really feel concern about Kowloon's people? Their real aim is to get the Hongkong Government to make some concessions, i.e., to stop the democratic movement being carried on there and to expel all Chinese political exiles from that British-controlled island. Unfortunately, history has repeatedly revealed that a corrupt and incompetant government can never be honorable or successful in its dealings with a foreign government.

REAL PATRIOT.

Shanghai,
January 16, 1948.

Help Ourselves

To The Editor:

That some Western powers wish China well is one thing, whether they will extend her material or financial aid is another matter. Such assistance must necessarily be dictated by considerations of their own interests. If help is forthcoming, well and good; if not, we should look to ourselves. No country on earth can expect to exist by merely relying on the help of others.

The first step in this process is for China to take positive steps towards becoming a democracy. History tells us that for the past 4,000 years, the will of the people has never been respected. From the Chin Dynasty to the Ching Dynasty there have been some enlightened despots but no real democratic leaders. After the overthrow of the Ching Dynasty, Dr. Sun Yat-sen planned to set up a democratic form of government. However, instead we got the military dictatorship of Yuan Shih-kai and military regimes for 15 years. With the establishment of the National Government at Nanking, and under the pretexts of military operations and political tutelage, we received dictatorial measures. This meant the use of quasi-fascist methods in dealing with people who failed to see eye to eye with the government.

Since the cessation of Sino-Japanese hostilities there has been a general clamor for democracy and the Government has stated its readiness to form a consfitutional government. Yet, its actions are not gratifying. For one thing, complaints within the KMT and the minority parties against the manner in which candidates for the general election are pick-

ed or apportioned are numerous, and the people have shown a not too hearty attitude towards the election.

China must rebuild her economy before she can stand on her own feet. Doubtless, to rebuild her economy is a tremendous task and much has been said about the necessity of foreign assistance for economic recovery. This is undoubtedly true but she needs to grapple with the problems which now confront her before laying the foundation for the development of her almost unlimited resources.

The authorities in China should avoid unrealistic measures for arresting inflation and the rising cost of living. To many observers, most of the Government's economic measures have so far ignored the realities of the situation and have provided only the most temporary results. The sale of gold has had but a temporary stabilizing effect and the sale of cotton yarn and cloth may bring forth the same result.

During the first years of the war, China fought alone against heavy odds. More than once, it seemed as if she must either sue for peace or be conquered, and yet she held out. Her prospects at present, no matter how gloomy they may appear, are not as dark as during the war.

The march of progress is slow and we sometimes tend to lack patience. Life, in the sense of humanity, is long, while that of the individual is so brief that we often see the ebb of the advancing wave and are thus discouraged. It is history that teaches us to hope. The history of China needs to be studied by those who despair today. For the Chinese always have succeeded in overcoming disasters throughout their long history. Some Western powers believe in China and we ourselves should believe in her also. God helps those who help themselves. Let us start helping ourselves!

JEN FU-SHENG

Foochow, Fukien,
January 12, 1948.

Pen Friends Wanted

To The Editor:

Allow me to address you on the subject of pen-friends whom my brother in Shanghai assures me I can contact through you, for your *Review* is so widely read by Chinese students both at home and abroad. I want to know the young people of China and also of the USA; I hope you will do me the favour of putting me in contact with boys and girls in these two countries.

I am 19 years old, studying in the senior class of Raffles Institution here in Singapore. I play all sorts of games such as football, baseball, badminton, volley ball and water-polo. I am also on the school swimming team as well as a Rover scout (veteran scout). I have pen-friends all over Malaya, England, Australia, New Zealand and India. I am now anxious to get in touch with the young people of the USA and China.

My brother in Shanghai has subscribed to your *Review* for me. It will help me to understand the conditions in China. People here find little or no talk at all about the current affairs of China. Maybe there will be more subscribers to your magazine, if I pass it round the school.

HOWE SOO-CHYE.

16 Lorong Pelandok,
Off Lorong 29, Geylang,
Singapore,
January 9, 1948.

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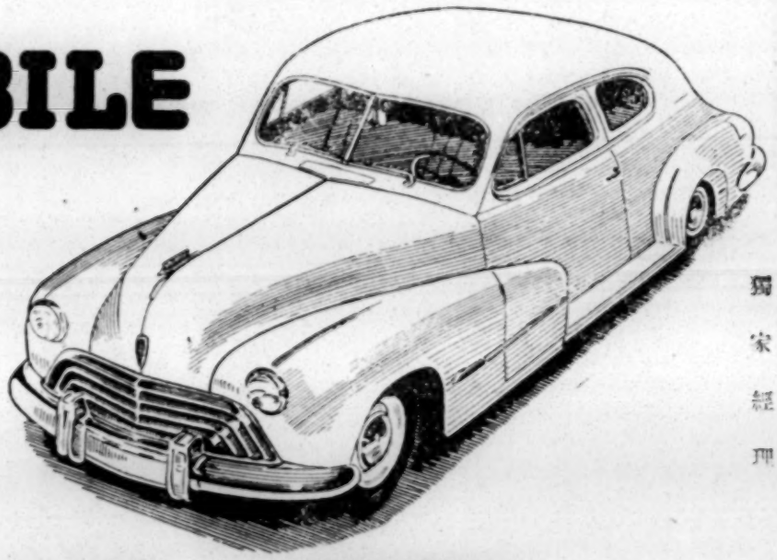

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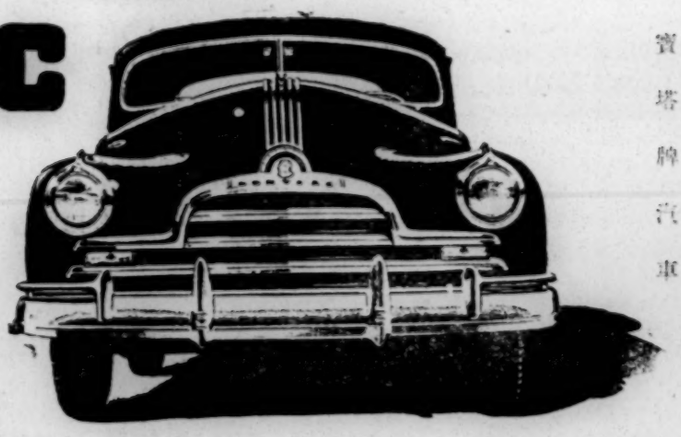

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North China's Plight

THE unprecedented crisis which confronts industry and commerce in North China, and the terrible plight of the people there, have been emphasized by the arrival in this city last week of a delegation of civic leaders from Peiping and Tientsin. The delegation was on its way to Nanking to seek immediate Government relief. During the past several weeks, reports have painted a lurid picture of the whole situation up in the North. As a result of the virtual isolation of Peiping and Tientsin, commodity prices are much higher in North China than in Shanghai and Nanking. The hard-working and long-suffering northerners, we are told, are finding it harder and harder to pull through. Many have perished, while others, who have been driven to desperation, are reported to have thrown in their lot with the Communists for better or worse.

The people in North China are really unfortunate. Even before the outbreak of the Sino-Japanese War, they were not as well off as their fellow countrymen in the South. They were the first to fall victim to Japanese aggression. They endured greater sufferings and privations under Japanese occupation. Since VJ Day, it is in North China that much of the bloody fighting between the Government troops and the Communist forces has taken place. Needless to say, the people in North China have been the worst sufferers from the Civil War.

They have been left in the lurch since VJ Day. Industrialists and businessmen in Tientsin claim that Nanking has pursued a consistent policy of discrimination against North China. The fact is cited that although people in North China had suffered more in both the Sino-Japanese War and the Civil War, the total shipments of UNRRA relief supplies and materials to North China were insignificant. While relief supplies were rotting and rusting in Shanghai, people in North China starved and froze and factories there were forced to close down because of shortages of raw materials or equipment. The reason advanced was that materiel sent there might find its way to Communist-held territory, because Communists hold so much of the North.

Another complaint is that Nanking is robbing Peter to pay Paul, exploiting North China to benefit the South. North China has plenty of coal, which, if properly handled, would have contributed much toward relieving the present acute economic crisis in Peiping and Tientsin. But the National Government would have none of it. It monopolized the coal business. It bought coal from the Kailan Mining Administration at CNC$1,080,000 a ton and sold it in Shanghai and Nanking at CNC$7,000,000 or CNC$8,000,000, making lots of easy money which, Northerners believe, should be rightfully spent on helping industry and business in North China.

While there is no restriction whatever on the shipment of coal from North China to the Yangtze Valley, exports of rice and wheat flour from Shanghai to Tientsin have been placed under strict Government supervision. For each bag of wheat flour shipped from Shanghai to the North, a license fee of CNC$150,000 has to be paid, although the market price for flour in Shanghai is only CNC$600,000 a bag. Besides, there are the freight charges and remittance rates to be added. As a result, wheat flour is sold in Peiping and Tientsin at CNC$1,200,000 a bag, exactly 100 percent higher than the Shanghai quotations. The people in North China simply cannot understand why they should be so badly treated.

* * *

SOME facts contained in a public statement issued by the delegation from North China are very interesting.

Exports from Tientsin formed approximately 12 percent of China's total exports, but the import foreign-exchange allocations for Tientsin were less than four percent of the total. Mr. Hsu Huei-tung, chairman of the Peiping City Council, openly stated at a press conference that the policy of the Central Government pocketing the foreign exchange obtained from Tientsin's export excess without sharing it with the local governments was a short-sighted and ill-advised one. "If there is no Peiping and Tientsin, there will soon be no Nanking or Shanghai," Northerners point out.

It is rumored that merchants in Tientsin are studying the possibility and advisability of importing foodstuffs with the foreign exchange gained by local exports. It is estimated that exports from Tientsin in February and March will fetch US$10,000,000, which is said to be enough for 1,100,000 big bags of wheat flour.

The money market in North China is reported to be pretty tight. During the past several months there has been a steady flight of capital to the South. In August, 1947, CNC$800,000,000,000 flowed to Shanghai and South China. This flight of capital is all the more alarming if we take into consideration the fact that the deposits of the commercial banks in Peiping and Tientsin were only CNC$30,000,000,000 and CNC$120,000,000,000 respectively at the time.

The recent suspension of loans by Government banks and the new restrictions on remittances have caused a virtual standstill of business and industrial activities in North China. With the rapid approach of the Chinese New Year, it is

estimated that CNC$150,000,000,000 will be needed by the business firms and factories in Tientsin to pay the annual bonus and salaries. Nobody knows where the money is to come from. It is feared that more industrial and business establishments will have to fold up, and more people will be thrown into the streets.

* * *

THE political picture is no better. Seven weeks have passed since the resignation of the Hopei Provincial Government headed by General Sun Lien-chung. Although a new government has been named, it has not yet assumed office. The interim government is simply wasting time doing nothing.

The existing state of affairs in North China is both amazing and ridiculous, to say the least. And much of the blame for the mess lies at the door of the authorities concerned in Nanking. We have been under the impression for some time that the officials who are responsible for economic and financial affairs do not know their business well. Many of the measures they have adopted seem to be mere stopgap formulas, and do not offer a fundamental solution of the problems. In spite of the nice talk about political mobilization and economic warfare against rebellions, it would appear that very little has actually been done to improve politics and economy.

It is hoped that the delegation from North China will give the authorities an opportunity to survey the economic situation as a whole—and to take prompt action before it is too late.

Pious Words

THE Netherlands Consul-General in Shanghai recently favored the *Review* by sending over, unsolicited, a copy of the Netherlands News Letter. Such a swanky bit of propaganda one seldom sees. It is a 28-page booklet, printed in New York. The paper is fine-grade, the pictures are romantic, and the text is silken. The News Letter is devoted to Indonesia: History and Growth.

Among other things, the booklet hails the Dutch-Indonesian signing on March 25, 1947, of the Linggadjati agreement, which sets the pattern for independence promised for Jan. 1, 1949. "This instrument of peace," the booklet says, "putting the final seal of doom on what remained of colonialism in Indonesia, has been hailed throughout the world as a wise and practical solution of the problem."

The booklet goes on to report that soon afterwards (July 21) "restricted military action by Netherlands troops was necessary to prevent a continuation of excesses" by "certain extremist groups within the Republic." It does not state, however, that this "restricted military action" directly violated the Linggadjati agreement which the Dutch revere so highly. For section 17(*b*) of the agreement states specifically: "The Netherlands Government and the Government of the Republic shall settle by arbitration any dispute which might arise from this agreement and which cannot be solved by joint consultation...."

In pursuance of the "restricted military action" — also described by the Dutch as "police action"—Dutch troops, armed with British and American equipment, rolled forward. In one stroke the Dutch put faith in force above an agreement signed in all solemnity. They put this faith also above a solemn declaration by Queen Wilhelmina guaranteeing a new deal for the Indonesians. They put it above the United Nations charter.

The United Nations eventually intervened. The Dutch took this intervention coldly. They said it was interference with "internal affairs." But the UN didn't go as far as it might. The Indonesians believed they were in the right. They asked for arbitration. All they could get was a commission of councils empowered only to observe; finally a three-nation commission empowered only to mediate.

Here was one case involving no major powers. Russia and the United States were not glowering over this one. But neither nation chose to use much influence before the UN. Here was one case where the UN could act strongly, could demonstrate determination. Here was a case which was just about as black and white as they will come. But the UN failed to measure up.

* * *

The three-nation commission is now in session in the Indies, aboard a U.S. Army transport. At this writing it is reported that it has achieved a "cease fire" along hostile lines which extend for hundreds of miles through Java and Sumatra. But even as they have gone about this business, the Dutch have been up to tricks.

The Dutch have announced the formation of an interim federal government and invited the Indonesian Republic to join. Already they have enlisted 10 territories in the Indies to join: East Indonesia, three areas in Dutch Borneo, the Riouw Archipelago, Banka Island, two territories in Sumatra, Madura Island and West Java.

All that sounds very impressive until you stop to examine this lineup. These territories comprise a considerable area, but are largely jungle, sparsely-inhabited and ruled by native princes. Most of these territories are not within the sphere claimed by the Republic. The princes naturally are glad to join with the Dutch because they regard the Dutch as a bulwark against Republican demolition of their princely realms.

The two territories in Sumatra, plus Madura and West Java, are claimed by the Dutch. But their inhabitants are overwhelmingly pro-Republic. In each instance the Dutch, through money and promises of personal power, have cajoled a few men into becoming puppets. However, they have been able to obtain even a lesser proportion of adherents than did the Japanese with the Wang Ching-wei government in China. These new governments by no means speak for the people.

Down in Jogjakarta, the Republican capital, the people are determined to hang on. This goes, of course, for the leaders. It goes also for the millions who for the first time are learning to read and write, express a voice about their social welfare, think about economic amelioration. Some day this will sink into the tough Dutch skulls,

as it did finally with the British over India and Burma.

The latest Dutch maneuver can be put into a simple analogy. Suppose (partially to appease world opinion) the British in 1776 had recognized Canada, the Northwest Territories, Louisiana, the West Indies and Bermuda as part of a giant federation to help them fight the Thirteen Colonies. The Indies' Outer Territories are relatively as little populated, although as large in area. They make just as little difference. Thus the Republic fights on, just as would have our colonists.

The Republicans may make temporary compromises, but nothing can stay their determination to rule themselves in the end.

Watch The Japs!---VII

WE have been watching the developments in Japan with intense interest and considerable concern. The longer we follow the situation there, the more we are convinced that Japan, under the wing of General Douglas MacArthur, is marching with great strides back to its pre-war status. In spite of a nominal change in government, the real power is still in the hands of a reactionary clique of conservative politicians, bankers, landlords and former army men.

The rapid revival of Japan's industry and the generous assistance the United States has rendered to Japan, it would appear, present a sharp contrast to the accelerated breakdown of China's industry and the dilly-dallying way in which the US Congress has handled the aid program for China. While American public opinion and businessmen are divided on the question of aid to China, there has been very little opposition among American businessmen and traders to American aid to Japan. On the contrary, the argument is gaining ground that after all Japan is a better partner for the United States than China.

American army and businessmen are particularly interested in Japan. For the present, the Japanese Government is doing everything in its power to rebuild the Japanese textile industry as an important link in the chain of post-war expansion of Japan's industry and foreign trade.

In addition to helping the Japanese Government to purchase raw cotton from India and Egypt, SCAP headquarters, according to latest press reports, is busy seeking American aid for Japan. The United States War Department, through the New York procurement office of the Quartermaster-General's office, is buying 50,000 bales of long staple American cotton for the Japanese cotton textile industry. Bids were opened in early January and awards were expected to be made on January 20. It is pointed out that the deal is equivalent to a credit of US$60,000,000 to Japan.

A three-man commission from the American Cotton Manufacturers Association of Charlotte, N. C., headed by Dr. W. P. Jacobs, president of the Association, arrived in Tokyo several days ago. The commission is said to have gone to Japan at the invitation of General MacArthur to advise SCAP on the problems involved in the sale of Japanese textiles.

Coal shortages have greatly handicapped Japan's industrial production. Thanks to the good offices of SCAP, a contract has been concluded with Canadian collieries for the shipment of 10,000 tons of coking coal to Japan. All of this imported coal, it is announced, will be used to manufacture steel for such products as textile and mining machinery. According to press reports, striking Canadian miners have tied up the shipment and officials of SCAP are incensed about it.

A *UP* story from Los Angeles reported that Japan is going to trade steel for American coking coal. President Herman Yaras of the Yaras Company recently announced the signing of one of the first reciprocal coal-steel trade contracts between post-war Japan and the United States. Yaras said the first part of the reported US $7,000,000 deal will include 20,000 metric tons of hotrolled steel sheets and 5,000 tons of glavanized steel sheets from Japan, in exchange for 30,000 long tons of American coking coal, part of which

A Russian impression of the Marshall Plan.

left Seattle on January 5. He particularly stressed that negotiations for the deal were carried on with SCAP's approval.

A *Reuter* story dated January 14 from Tokyo threw some sidelight on this matter. It is said that negotiations are under way between a Los Angeles firm and several Japanese steel mills including the Japan Iron Manufacturing Company, Kawasaki Heavy Industries and Japan Steel Tube Company, for the manufacturing of about 20,000 tons each of black sheet and galvanised iron destined for the US. It was not revealed whether the Los Angeles firm in question is the Yaras Company mentioned in the *UP* story. An interesting point is that China is also concerned in the matter. The *Reuter* story further disclosed that the necessary raw materials, comprising 85,000 metric tons of coking coal, 22,000 metric tons of iron ore, 33,000 kilolitres of fuel oil and 1,240 metric tons of magnesia clinker, are to be imported from Hainan Island, South China. Some

fuel oil and coal will be shipped from the United States, the report stated.

The Japanese Government is attaching the greatest importance to increasing the coal output. Last year it extended a total of Yen 41,000,000,000 in reconstruction, finance and bank loans, of which as much as Yen 13,000,000,000 went to the coal mining industry.

* * *

IT is an open secret that leaders of the Japanese Government are counting heavily on substantial economic aid from the United States this year. Finance Minister Takeo Kurusu in a speech delivered at the Fukushima chapter of the Democratic Party openly stated that Japan would receive a loan of US$700,000,000 from the United States during this fiscal year, because "American sentiment toward Japan seems to have improved lately" and "recognition of Japan's efforts to stand on her economy is a big factor in making Americans willing to invest."

Kumakichi Nakajima, President of the Japan Foreign Trade Association, is reported to be about to submit a proposal to General MacArthur that the United States lend Japan US$2,000,000,000 as a currency stabilization fund. In an exclusive interview with *Central News*, Nakajima stated that his plan calls for the issuance of new Japanese dollars on par with the United States dollar and the coordination of the Japanese economic system with the American economic system. Nakajima went so far as to state that, if necessary, Japan's economic system may be incorporated into that of the United States.

It is with profound concern that we read such news dispatches as quoted above. It is quite clear that the Japanese are doing their utmost to win the favor of General MacArthur and please the United States. Japanese Government leaders are obviously planning to improve their country's position at the expense of China. It is up to the Chinese to be on the alert and analyze closely every future Japanese move.

Propaganda And Defeatism

GENERAL Teng Wen-yi, the Government's military spokesman, is still at it. According to the *United Press* he told reporters in Peiping a few days ago that "the rampaging Communist armies will be suppressed within one year in China proper and within three years in Manchuria."

This is no surprise. General Teng has been making statements like this every week in Nanking for months. Every Wednesday afternoon he paints a picture, in one form or another, of Kuomintang victories and the annihilation of Communists. Imagine a hypothetical man who depended only on General Teng for his information. After listening to the General one week, this man would probably be surprised the next week to learn there was still a war on. The foreign correspondents, who make up the General's audience, are used to this. They pay little attention to what he says.

General Teng's performance, which we suppose should be blamed on the situation rather than on him, is part of a strong and well-known tendency here toward censorship and toward the falsification of news by the Government. Not all those involved in the Government's handling of information are in step with this. Dr. Hollington Tong, the Government's chief spokesman, is on record against it. But the general movement is plain to see. Since the closing of the *Wen Hui Pao* and the *Lien Ho Wan Pao* last spring, it has been getting harder all the time for Chinese papers to carry accurate war stories or to express the people's voice in editorials. Government representatives and organizations have gone in more and more for faking the news.

* * *

WHAT is the purpose of this, and what does it achieve?

One gain we can see from censorship is that it makes students and similar groups easier to control. During the demonstrations of May last year, it was obvious that students in various parts of China were getting great spiritual help from the news of demonstrations elsewhere. It is probable that the rice riots of last spring, which occurred in many scattered places, were also due in part to the free circulation of news. By suppressing the country's news network the Government can slow down the advance of such movements. This is a gain if you grant that a government, in the long run, is well advised to use force and suppression against popular movements. (We do not grant this.) This is the only possible gain we can see.

World opinion is certainly not fooled. Foreign reporters do not believe General Teng and others like him. The more they disbelieve them, the more likely they are to take a dim view of the government thus represented. Foreign reporters are human. If they are frustrated by biased government handouts, they will become unhappy, and more critical of the government. That is a psychological question—perhaps even a health question—rather than an intellectual one. But it exists.

Nor are the Chinese people fooled to any important degree in the long run. While it is possible for a while to conceal things like a Communist crossing of the Yangtze, or the loss of a town in Manchuria, the truth comes out in the end, and public confidence is less than it would be without censorship. Businessmen in Shanghai, for instance, have complained often about the bad effect that rumors from distant fronts like Manchuria have had on the market. These rumors are a product of censorship. The less people are allowed to know, the more fantastic the rumors they will go for.

* * *

THIS is the balance sheet on the censorship question as well as we can figure it out. Obviously censorship doesn't do much good.

We have an idea that the true reason for the Government's indulging in it is not that it is an effective weapon. We feel that the chief reason for having censorship may be internal pressures

within the government, the Kuomintang and the army themselves. Nanking is a queer place now. People there are making a profession of going around and telling one another how fine everything is. It is probably unfair to use words like sycophancy in connection with this, though this is a natural inclination. We think the people who are indulging in this professional optimism would say they are showing a resolve not to be defeatist. In this effort they create a dream world, which fades when you get outside the Nanking city wall, but is rather convincing to those inside. A Government spokesman, who must live in this environment, simply cannot tell the truth unless he wants to be thought "defeatist." The question of how to do his work effectively is irrelevant. Some people in the Nanking information offices are probably most unhappy if they examine this point thoroughly.

* * *

ADVANCING beyond the superficial profit-and-loss study above, we come to a very grave defect in the whole present Government that is connected intimately with the news question.

This is lack of realism. We think when the history of these days is written, the lack of realism in postwar Chinese leadership may turn out to be a very important chapter. Rather than go into heavy generalizations about this, we ask our readers to look at the present status of the small word "bandit."

It is "defeatist" now to refer to the Chinese Communists as anything but "bandits." This is a strict ruling for newspapers. We have been told of a Shanghai editor who was called to Nanking because he had not been observing this rule. He was brought to a high official, who said:

"Why do you not refer to the bandits as bandits?"

"Because I don't think that by doing so," the editor replied, "I can make it any easier for the Government to win the war. Do you?"

"Yes," answered the official, "because Confucius said that if you call a thing by its right name everything will be in order."

The joker in this one is that "bandit" is a most inadequate word to describe a Chinese Communist.

It conjures up a picture of feudal warfare. Occasionally there are bad times in the countryside in this picture. Then the people take to banditry. The forces of law and order are not able to cope with it right away. So they retire into the walled city that is always in the center of the picture, where they sit things out. Since the bandits have no long-range objectives, and are just making a little trouble in a bad year, they subside eventually. The forces of law and order march out the city gate, and everything is back the way it was.

The Communists differ from the bandits in this picture by having very definite long-range objectives and by having a nation-wide, rather than purely local organization. They are a big-time outfit with large armies and all manner of scientific tricks.

Yet we ask our readers if the authorities have not hypnotized themselves—partly by the use of this word "bandit"—into approaching the Communist problem as if it were like the picture above. Is the Government not holding cities in Manchuria and North China as if the problem were really a bandit problem? They cannot get out of these cities, because to let bandits take a main center is a loss of face—for the forces of law and order. Are they not waiting there for the countryside to settle down so they can issue forth once more in peace? Will it?

25 Years Ago In The *Weekly Review Of The Far East*

Slow To Wrath

January 20, 1923.

THE farmers and villagers are bent nearly double under the weight they are compelled to carry. How long will these patient people submit to this treatment before revolting? This is a question far more important than getting through the New Year period. The Oriental peasant is slow to wrath, yet once aroused he is most difficult to check, as witness the Taiping and Boxer uprisings.

* * *

Fighting In Canton

SUN Yat-sen versus Chen Chiung-ming is again the cause of fighting in Canton and vicinity during the week under review and has relegated to the background the usual interest manifested in affairs centering around the Capital. Whether to go to Canton or not to go is the proverbial question presenting itself to the Father of the Canton government today in his serious hope to overthrow Chen Chiung-ming, the usurper of Kwangtung rule. This serious fighting in Canton has come to the foreground in the way of news and affairs such as the settlement of the disbandment of troops as the solution of China's foreign obligations, the Coltman Case, the new Cabinet, have been forgotten for the moment.

10 Years Ago In *The China Weekly Review*

"Rightist" Government

January 22, 1938.

THE *Shanghai Evening Post* published a report on Wednesday claiming that a movement had been started to form a "rightist" Kuomintang Government in Nanking that would be headed by the former Premier and veteran Kuomintang leader, Tang Shao-yi, now in retirement in Shanghai. Mr. Tang is 78 years of age and has been confined to his bed for several months, hence the report was thought to have originated in Japanese propaganda circles. It also was claimed that a pro-Japanese politician named Chen Chung-fu had made a secret trip to Tokyo, taking along peace proposals on behalf of the "new government."

* * *

Japan Warned

THE German press on January 16 cautiously but clearly warned Japan on the dangers of too deep a penetration into China, and urged Tokyo to make China a peace offer on honorable terms. Observers in Berlin emphasized that the Reich anxiously desires to see an end to the Sino-Japanese conflict for fear that Japan should become more deeply involved. The *Frankfurter Zeitung* stressed that China was disappointed in her expectations of European intervention and is now ready to negotiate with Japan. "For the first time," the paper stated, "certain circles in Hankow advocated the acceptance of a victor's peace."

A New Program For China In 1948

Wang Chi-lu

LONG before the outbreak of the 1917 revolution in Russia, which resulted in the formation of the world's first socialized state, and previous to the ascendancy of the Labor Party in Great Britain in 1945, which is now well embarked on a socialist program in the Island Empire, progressive Chinese intellectuals had already begun the promotion of social reform and a socialization program in China. Some of these aged promoters are still living today. A most surprising fact is that many of these promoters are veteran members of the Kuomintang. Among them are Mr. Wu Chih-kwei, now aged 84, Mr. Chang Ching-kiang, 82, and Mr. Li Shih-tseng, 67. They are all members of the Central Executive or Supervisory Committee of the Kuomintang, but hold no government post.

World Association

Forty-three years ago these three veteran members were taking an active part in the organization of the Tung Meng Hui, the predecessor of the Kuomintang, in Japan under the direction of Dr. Sun Yat-sen, with the avowed purpose of overthrowing the Manchu Dynasty and of starting the revolution in China. They also organized another association, then known as "The World Association," and now called "The World Cultural Association." According to Mr. Li Shih-tseng, the purpose of this Association is to promote universalism as well as serving as a "laboratory of Socialization." This Association has an office in Shanghai, and branches in America and France.

Mr. Li studied agriculture and biology in France during his early years. He worked together with Dr. Sun Yat-sen in planning to overthrow the Manchu Dynasty. After the success of the Chinese Revolution, Mr. Li changed his profession from biologist to sociologist in order to promote cultural understanding and cooperation between the West and East and to further social reform and socialization in China.

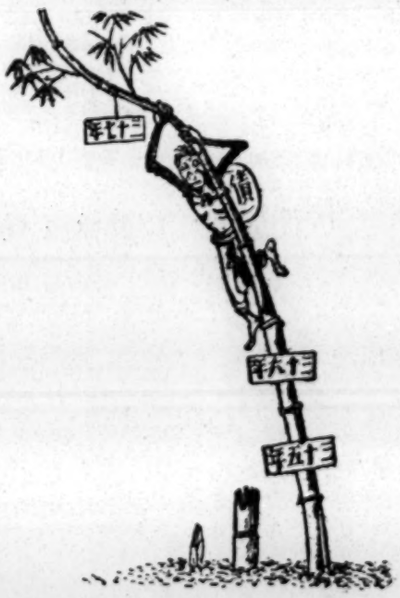
Every Sunday morning, this aged scholar and sociologist can always be found in the office of the World Cultural Association in Shanghai where he is most willing to discuss the problems of socialization with any visitor. Sometimes he answers various questions put before him; sometimes he merely listens attentively to different opinions. He believes in truth, and he believes that truth can best be discovered through free and frank discussion.

Mr. Li is not a pessimist. His conviction is that China, being so rich in natural resources and manpower, can certainly become free of its difficulties within a short time if only the people will discover where the fault lies and begin the necessary reforms. In his opinion, China should be able to afford great help in the maintenance of world peace.

The social program adopted by the last plenary session of the Central Executive Committee of the Kuomintang held in Chungking was based on one resolution (For full text of this Resolution, see *The World Monthly Review*, March, 1947) introduced by Mr. Li which called for the "Socialization of Cultural and Economic Enterprises."

I have read many articles on "Socialization" written by Mr. Li, and published almost exclusively in *The World Monthly Review* (in Chinese). Since the resumption of this publica-

THE GROWING DEBT



From Cheng Yen Pao

tion in Shanghai after VJ Day, every issue contains an article on Socialization" by Mr. Li and one or two by other writers.

I met Mr. Li at his residence in Shanghai one morning and discussed the same problem with him. This venerable scholar and sociologist has apparently dedicated the rest of his life to the promotion of socialization in China and the world. He believes that "the socialization of the world and the universalization of our society" is the best means for maintaining world peace. He is convinced that only by undergoing reform and adopting socialism can China be saved from the crisis in which she now finds herself.

In his article on "socialization" (see *The Monthly*, March, 1947), Mr. Li pointed out that there are three systems operating in the world today, namely the state system, the capitalist system and the socialist system. He said, "In my opinion, the socialist system is the most progressive of all. China must adopt the third, not the first, nor the second." In his opinion, the social system in Soviet Russia has not yet arrived at true socialism.

Identical Program

Throughout his writings, Mr. Li emphasizes that his socialization program is identical with the Principle of the People's Livelihood, one of the Three Principles of the People so strongly advocated by Dr. Sun Yat-sen. He therefore always urges the Chinese authorities to put this great principle into practice.

In his article on "Socialization and Conversion of Private Wealth Into Public Wealth" (see *The Monthly*, November, 1947), Mr. Li first pointed out that in this respect, the socialization program in the west is still in a position requiring the government to compel the individual to give up his property through special legislation or heavy taxation. He suggested that what China should adopt is largely an active socialization in which the individual presents his property, owned or inherited, in part or in whole, to society, with the government offering various inducements and encouragements to promote such a movement. Such measures for the active and voluntary socialization of private property are in conformity with the Oriental tradition, and meet the psychology of the Chinese people.

Mr. Li then advocated some preliminary steps in this direction which may be summarized as follows:—

1). The Government should offer as much special encouragement as possible—material as well as spiritual—for the socialization of private property. If private or inherited property is donated in entirety to a school, library, hospital or any other social welfare undertaking, or for collective or cooperative agricultural, industrial, mining and other productive enterprise, or to the Government, such property should be entirely exempt from taxation. Not only that, the Government should take every step to encourage such undertakings.

2). If half of one's property or inherited property is socialized, the tax for the property retained should be much less than the ordinary tax rate.

3). Property under a certain value which is considered as being barely sufficient to maintain one's livelihood and not regarded as surplus property, need not be socialized.

Cooperation Needed

Mr. Li suggested that the National Government should promulgate more special laws and regulations in this direction. But he pointed out that success in the promotion of socialization of private property lies in cooperation between the Government and other social groups. For this reason, he proposed to form a special organization made up of the Kuomintang and other political parties, as well as of cultural associations, literary societies, educational associa-

tions, agricultural associations, chambers of commerce and industrial and trade guilds, to be in charge of promoting this part of the program.

In his article on "Socialization and Education" (See *The Monthly*, August, 1947), Mr. Li first pointed out that education under the family system, the chieftain system, the feudal system, the monarchical system and the state system is "narrow and selfish education." "This is one of the great social evils responsible for the social unrest and underdevelopment of education in China today," he said.

Mr. Li then dealt with the fact that in order to improve and socialize education in China, the first step would be the "abolition of the Ministry of Education," and the adoption, instead, of a "Board of Education." He reasoned that "such a step will not only lessen the number of students' uprisings, but will end permanently the many students' demonstrations which are political in nature."

According to Mr. Li, this Board of Education should be composed of all the leading educators in the nation, and the chairmen of the boards of directors of leading universities in the country. It will elect its own standing committee and form a small body of the executive committee to carry out the resolutions adopted in its meetings. Thus it can perform the functions usually undertaken by the Ministry of Education.

This Board of Education, composed of educators and school administrators throughout the country, will be more responsive to public opinion and immune from the "dictatorial rule of the Ministry of Education," in the opinion of Mr. Li. "Thus, education will be free from manipulation by a handful of politicians, certain cliques or any single party."

No Conflict

Mr. Li expressed his regret that such a system is not provided for in the new Chinese Constitution promulgated on January 1, 1947. He said that if it is not possible to abolish the Ministry of Education at once, it is still possible to form a Board of Education parallel with the Ministry in this transition period. The Minister of Education may be *ex officio* chairman of the Board and could enforce the decisions reached by the meeting of the Board. Thus, there will be no conflict with our constitution.

Many well known Chinese educators, such as the late Tsai Yuan-pei, advocated the socialization of education in China and the organization of a Board of Education in place of the Ministry of Education as early as the First Year of the Chinese Republic (1912). According to Mr Li's account, the reason why the late Tsai Yuan-pei resigned in 1928 was because the Board of Education, of which he was chairman, was reorganized into the Ministry of Education after the establishment of the National Government in Nanking.

The abolition of the Ministry of Education was again proposed by Mr. Wu Chih-hwei who was quoted to have said, "So long as the Ministry of Education remains, there is no way of developing education in China." (See *The Monthly*, August, 1947, p. 6).

Financially Weak

Mr. Li pointed out that the present Ministry of Education "is not an organ to promote but to impede the development of education." He said that the Ministry is not financially strong enough to establish more schools by itself, yet it is able to prevent others from doing so. Mr. Li is also opposed to the Ministry sending great numbers of Chinese students to study abroad. He proposed the adoption of the Board of Education system by the Central as well as local governments. He is also opposed to private schools. This is because he believes that "education is a social and cultural enterprise, and, as such, it should not be a private enterprise."

In one article on "Socialization and Wen Hsin (Cultural Credit Cooperative) Movement" (See *The Monthly*, September, 1947), Mr. Li proposed the organization of educational financial institutions, such as cultural cooperatives, educational banks, and educational trust companies. These proposals, he said, were all voiced by the late Tsai Yuan-pei and Mr. Chang Ching-kiang long ago.

Other writers in the same issue of *The Monthly* also expressed their resentment of the fact that while there are many agricultural, industrial, transportation, marketing and public utility cooperatives, organized and extended by the Government, there is not a single educational cooperative subsidized by the Government. "That shows evidently that the Government has neglected education and culture," said one writer (See "Organization of the Cultural Credit Cooperatives" by Chiang Chien-pei in *The Monthly*, September, 1947, pp. 6-7), while another writer characterized such negligence on the part of the Government as "a fallacy of the times" (See "Cultural Credit Cooperatives" by Yang Kai-tao is *The Monthly*, September, 1947.

Social Security

In one article on "Socialization and the Problem of Social Security" (See *The Monthly*, July, 1947), Mr. Li said that both collective security and social security cannot depend on force alone. "The former depends on international justice while the latter depends on social justice. If the majority of the people do not receive fair treatment, no security is possible," he believes.

"If the majority of the people do not have the minimum amount to eat and wear, is it a society? Is it possible to have any security? Certainly not!" He agreed with the old Chinese sayings that "Injustice always brings forth the redress of grievances," while "It is not poverty itself that we should worry about but the uneven distribution of poverty among the people."

Mr. Li attributed the students' "Anti-Civil War and Anti-Hunger Demonstrations" which broke out in May and June, 1947, in Shanghai and many other parts of the country to "social injustice in China." (See *The Monthly*, July, 1947, p. 6). When the student movement was at its height, Mr. Li, together with others, organized the "Association for the Promotion of Social Security in the Special Municipality of Greater Shanghai" which was inaugurated on June 1, 1947.

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"If we wish to seek a true and permanent social security, we have to put our education and economy as well as other institutions on the basis of *Kung*, meaning Openness and Fairness, and pass through the process of socialization. The handful of men who seek only for their own security and welfare by means of force are bound to fail," Mr. Li is convinced.

In the opening paragraph of an article on "Socialization and Bureaucratization, Militarization, the Kuomintang and Other Parties" (See *The Monthly*, April, 1947), Mr. Li said that in order to overcome the present crisis and have a chance to exert our own efforts in furthering the development of the country, "China must undergo socialization, without which nothing can be accomplished. But, at present," he continued, "as all facts have shown us China is not being socialized—but is highly bureaucratized and militarized. This is the most dangerous trend in the development."

Unfortunate Contradiction

In the second paragraph of the same article, he states that at present China is supposed to have entered the Constitutional period during which more attention to the promotion of the Principle of the People's Livelihood is to be paid. But, unfortunately, both the Government and the people have concentrated on bureaucratization and militarization. "China contradicts herself . . . and this is a most unfortunate contradiction," he said.

This veteran member of the Kuomintang, in passing judgment, said "All, obviously meaning the Kuomintang, the Chinese Communist Party and other parties, are to be blamed for this unfortunate contradiction and blunder." He pointed out that the Chinese Communists should share a larger portion of the blame but went on to say, "Let bygones be bygones. Sufferings of today should be taken as a mirror of tomorrow. We should not repeat the same blunder so as to sink deeper into misery." Then he said significantly:

Not Too Late

"Both the Kuomintang and the Chinese Communist Party should wake up quickly; both should lay down the butcher's knife; both should walk the peaceful and constructive path of socialism. It is still not too late. There is no doubt that we have pinned our hopes first on the Chinese Communist Party, and second on the Kuomintang.

"We must not devote ourselves for the promotion of bureaucratization and militarization, but we should take the most effective steps to put the socialization program into practice. The policy should be duty and determination by the government and the people." (See *The Monthly*. April, 1947, p. 5.)

Throughout his writings in the past year, I note, Mr. Li discussed mostly socialization of private property, education and social security. He followed this with candid advice to both the Kuomintang and the Chinese Communist Party to "lay down the butcher's knife (*放下屠刀*)." Apparently, it is Mr. Li's intention to begin his socialistic program by first taking care of private property, education and social security. That is China's new program for this year.

A Critical Year

In the last issue of *The Monthly* for 1947, in "The Socialization of the World and the Universalization of Our Society," Mr. Li made it clear that *The Monthly* is dedicated to the promotion of socialization in China and the world. "Beginning from 1948, we will continue our efforts to carry out our mission most thoroughly." *Inter alia* he said:

"Whether the year 1948 will be greater than the previous year we do not know. But we do know that the world must be socialized, and our society must be universalized. These two events are the natural trend in the development of the world and mankind. Whether the peoples in various parts of the world like socialism or not, it is bound to come. In fact, the world is already closer to socialism and our society nearer to universalism than ever before. Today, no nation can close its door. China is certainly no exception.

"This is a fact, and is a sign of the coming furious tide. If, to such a body of power we can apply scientific methods and rationizalism in directing this power, we can accomplish a great achievement in both conservation and usage. However if we attempt to resist the tide, a great calamity will befall us.

"Such a furious tide may bring a bright future and prosperity to the world, but it also may bring about World War III. The responsibility does not rest with the flow of the tide, but, rather, with the decision of mankind.

Furious Tide

"This responsibility now rests with the governments and peoples of China and America. They should try hard to seek a rational understanding of our problem and work out more expedient means of cooperation. Both should discard narrow mindedness and, instead, strive towards cooperation and mutual assistance. Both should walk the bright and glorious path toward the socialization of the world and the universation of our society!

Thus, Mr. Li concluded his discussion of "Socialization" in the last issue of *The World Monthly Review* for 1947. In his articles which I have summarized, Mr. Li has pointed out to us where China and America should go next, and has formulated a New Program for China in 1948.

FOLLOW DEVELOPMENTS IN CHINA. . . .

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REPORT FROM FREE INDIA

Harin Shah

(Special Correspondent, The China Weekly Review)

New Delhi, December 26.

FREE India was launched on August 15, 1947, and is still less than four months old. The transformation from colonial rule is beset by the many problems left by retreating imperialism and India's own medieval-oriental s ocial structure The establishment of a theocratic and hostile Pakistan has effectively hampered Free India in her mission of attaining Asiatic solidarity, and has, moreover, injected complications of the Muslim Middle East into Free Indian territory. How then, in the face of these obstacles, has the Free Indian Government acquitted itself thus far?

Congress Majority

It must be remembered that the new 14-member Nehru Cabinet is a coalition government, though with a Congress majority. Five important portfolios—those of Defense, Finance, Commerce, Industries and Supplies, and Legislation—are held by non-Congress ministers who, until recently, led political organizations which were bitterly critical of the Congress and often pro-British. In spite of this, the coalition has worked out smoothly because of three factors: First, the mass freedom movements led by the Congress has made the Congress synonymous with the whole nation. Second, the Congress high command has sobered down and reconciled itself to Big Business and the Princely Order, for which the non-Congress ministers have a soft spot in their hearts. Third, the system of collective responsibility and Prime Minister leadership has forced the non-Congress members to bow to the Congress majority both inside the Cabinet and in the Constituent Assembly. Besides, they must face the national press which is predominantly pro-Congress.

Most important of the problems confronting the infant Free India Government is, of course, the partition of the country. It has meant Hindu-Muslim warfare, which raged for two months in the North and East of India and led to mass brutalities and the tragic uprooting of nearly 16,000,000 people from India and Pakistan. The partition caused the disintegration of the entire existing governmental administration and, of course, of the army, navy and air forres also. It was a partition unique in modern political history, not only because it created a State based entirely on religion, but also because the divisions involved ranged from furniture and stationery to criminal prisoners, enormous currency balances and the armed forces.

A large minority of Muslims still remain in India, amounting at present to almost 50 percent of the total population of new-born Pakistan. The Indian Congress has failed so far to create a healthy leadership for these Muslims, and the present leadership in Pakistan has no intention of ignoring the political value of such a group. Last week, a decision was reached in Pakistan by Jinnah to retain in India the Muslim League organization, even after partition. It is difficult to say what further internal menace will develop from this "religious" political group.

Another important and urgent job confronting the government was the consolidation of the uncontrolled group of hundreds of Indian "Princes" who claim direct descent from the sun and moon. Then there was the mounting unrest of labor and the drop in production. Since the latter was still controlled largely by British vested interests, the Nehru government was obliged to make certain concessions, and abolish price control and shelve the persistent popular demand for nationalization of key industries. And, not to be forgotten, was the most pressing task of rehabilitating the millions of people who had been routed out of Pakistan.

Preliminary Snarls

These are but a few of the preliminary snarls to be untangled before Free India can apply herself to the major tasks of nation-building—the tasks of defense, industrialization, education.

How is Free India's foreign policy shaping up under these unsettled conditions? The Nehru government professes to keep away from power blocs, and in international conferences it aspires to keep an objective attitude. India subscribes to the pattern of One World and desires the goodwill of all friendly and democratic countries. She is wedded to certain ideas, which, even as an outcast colony, she dinned into the ears of the world at the time of aggressions in Abysinnia, China and Spain. However, India realizes that, as an industrial nation interested in export markets, she cannot be divorced from the political and economic scheming of the rest of the world. As a sovereign nation, she will seek advantageous reciprocal treaties with other nations, and she hopes to be able to import thereby the food, technicians, capital goods and funds which she needs.

Even while she was under the wing of the British, India had some primary coaching in the art of conducting foreign affairs. She had a few Agents-General in Australia, Canada, China, South Africa and the US. The Nehru Government

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has relieved most of the British officers from civil administration, as it has from the army, and few of the replacements have had sufficient background to formulate and administer a new foreign policy.

The greatest living force in India, Mahatma Gandhi, keeps himself blissfully detached from the intricacies and vagaries of foreign affairs, delegating the task to his adopted political heir, Nehru. This, unfortunately, is also more or less the attitude of the intellectuals of the country. The leftist groups, with the exception of the Communist party, have no definite suggestions as to foreign policy to propose to the nation, while the industrialists and financiers try to remain non-committal until they can be sure in which direction the country will be carried.

Suspicious Of Motives

In the conflict between Soviet Russia and the Anglo-American Bloc, the Indian press often feels that Russia is more bullied than bullying, though it does not ally itself with Russian aims. The common man in India has a certain sympathy for the Russian zeal, drive, social justice and planning, which are changing the shape of Soviet Asia, and he generally discounts the anti-Soviet representations coming from British and American sources. He is suspicious of British and American motives, and America's political loans and food shipments have increased his suspicions. He would resent his government's perching in the Anglo-American camp, though he would see the need for a middle-of-the-road policy until the zero hour came.

* * *

THIS is how Nehru unfolded India's foreign policy, during the recent foreign affairs debate:

Ultimately, foreign policy is the outcome of economic policy and till such time as India has properly evolved her economic policy, her foreign policy will appear rather vague, incoherent and groping.

It is useless for us to say that we stand for peace and freedom because that does not convey anything except a pious hope. There is some meaning when we say that we stand for the freedom of Asian countries, and for the elimination of imperialistic control over them.

The foreign minister of a country, whether it is imperialist, socialist or communist, thinks primarily of the interests of his country. The ultimate aim of a foreign policy is to find out what is most advantageous to one's own country.

India has sought to avoid foreign entanglements and refrained from joining any bloc. The natural result has been that neither of the big blocs look with favor on India, because they think she is undependable. Inevitably, that means that to some extent we have to plough a lonely furrow in the United Nations or international conferences of this type. I think, nevertheless, that this is an honorable and right position for us to take and I am quite sure that by adopting that position we shall ultimately gain in national and international prestige.

Neutrality Difficult

If there is a big war, there is no particular reason why we should jump into it. Nevertheless, it is a little difficult nowadays to be neutral in world wars. The point is not what will happen if there is a war, but are we going to proclaim to the world that when war comes, we will stand by Russia? That shows to me an amazing ignorance of how affairs can be conducted. India is not going to join a war if she can help it, but if the choice comes, she is going to join the side which is to her best interest. There the matter ends.

Basically, India wants time to build up her country so that she can become a force for true democracy in the world. She would like to avoid getting mixed up with any power bloc, and wants freedom to deal with the smaller nations. At home, she expects to consolidate steadily and hopes to be able to get on without political loans or investments from the outside. With the creation of Pakistan, her moral commitments to the Middle East are relaxed, if not transferred, and in both Europe and the Far East she can be content with watchful detachment while the immediately interested powers wrestle on. Her mission for Asiatic solidarity will continue, until it becomes a tranquilizing force between the two power blocs.

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SHANGHAI, CHINA

Impressions Of The Liberated Areas

An UNRRA Worker

SINCE coming to the Liberated Areas four months ago, most of my time has been spent working on the tractor project at Chihsien, (Southern Hopei) which has entailed travelling back and forth across the North China plain. During this period, although I have not had much time to look into the affairs of the region, I feel that, having been in a place for this length of time, there are certain impressions I have picked up.

The first thing that comes to mind is the immense size of the area liberated by the Eighth Route Army and now being defended by the People's Liberation Army. The outside world tends to think of the Chinese Communists as holed up in the high mountains or isolated in the loess wastes of Yenan. Yet here, on one of the world's great plains, one can drive in one direction in a jeep for two and three days and not come to the border. All of this driving will be through land rich in crops—thousands of square miles of millet, kaoliang, corn, cotton, peanuts, yams, potatoes, and cabbages. It is a large area, a rich area, and an ancient supply base and marshalling ground for armies.

Superficially The Same

Superficially, this country looks like any other part of North China. The same wooden-wheeled carts rattle down the dusty roads, the same hard working farmers urge their slow oxen across the fields, the same wide-eyed, dirty children play in the mud by the village pools, the same low mudwalled houses provide shelter for man and beast, while on the walls are slogans in great white characters. If you can't read Chinese, the slogans also look the same.

Visitors expecting the revolution to have changed the face of the countryside are often disappointed. The land reform is not revealed in a field of corn. Village democracy is not apparent on the streets. But if one looks a little carefully, one can soon see that this is not the China he just left.

For one thing, there are very few soldiers about, even in the towns. In Kuomintang China the town gate is usually heavily guarded, and people passing in and out are stopped and inspected by armed men. Government buildings are ringed by soldiers while the local garrison troops loiter everywhere. In the Communist rear areas, soldiers are few and far between. People pass freely along the highways, in and out of towns, and in and out of government buildings. Occasionally a soldier can be seen on the road, evidently going home on leave or returning to the front after a rest. Always they have their guns with them, and that too is something new. In Kuomintang China one rarely sees a soldier off duty with a gun. Some areas here are used for training and, of course, troops do move from time to time along the highways. But for a country at war soldiers are very scarce.

Militia troops, on the other hand, are very much in evidence. They can be observed drilling in the early morning on the village threshing floors. One sees them on their way to town with their rifles slung over their shoulders—tall peasants dressed in blue or black homespun cotton with white towels tied around their heads. One sees them on their way to maneuvers moving in great crowds on the highway or resting in the shade by the road, two or three hundred at a time. Here, the whole people are armed.

Walls Unnecessary

An armed people are evidently in no need of walls. Everywhere town walls are being or have been torn down. This is in marked contrast to other parts of North China where city and town walls are being heightened, widened, extended and rebuilt in haste. Towns in Manchuria that never had a wall have been hurriedly encircled with earthwork this year. But at Linching, in the Communist Area, they used the city wall to mend the river dyke. Townspeople took home thousands of bricks to repair their houses and rebuild what the Japanese destroyed. When the plowing season ended, we used the same bricks to block the tractors up. Town walls in the Border Regions have been a rich source of construction material for all purposes. With the walls flattened, the towns have for the first time become a part of the countryside instead of fortresses where nervous landlords stored their wealth.

One of the first things one notices on coming here is the difference in clothing. Nowhere do you see anyone expensively dressed (unless it be some merchant just in from Tientsin). Nowhere are there any people in rags. Most of the clothing is made of home-spun, home-woven, and home-dyed cloth. The thread is a little coarse, the weaving slightly irregular, and the dye fast-fading but the clothes wear well and cost the people only their labor.

Work Diligently

With the coming of winter, an amazing number of men, women and children blossom forth in new garments stuffed with this year's cotton. All summer and fall the women have been working diligently at this task in their spare time. We saw them everywhere, on doorsteps or out under the trees spinning while the children played nearby. We also saw them weaving, laying out the fluffed cotton, and sewing the garments together. At one time, the women also worked on winter uniforms for the soldiers.

The people here will be warm this winter. They will also eat well for the crops this summer were good in spite of the serious spring drought. Local people say that the land has not been farmed so intensely or vigorously for years. When the summer crops were inadequate, the farmers planted wheat on a tremendous scale. Never has so large a portion of the land been sown to winter wheat as during this past year. Wheat has always been a gamble and even if you succeeded in getting a crop, you couldn't win because so much of it went to the landowner or the government. Since the liberation by the Communists, the crops belong to the people, and they are now willing to take their chances with the weather.

At Chihsien there are many thousands of mou of waste-land due to special conditions in the past, but elsewhere, in what used to be southern Hopei, I saw only small scattered 'patches of uncultivated land. I asked about one of these, a good looking five mou plot not far from the experimental station at Linching. Mr. Chang, head of the station, told me it belonged to a landlord who had never had to work before and found farming difficult. He was unable to till by himself what land he had left.

Cotton Campaign

There has been a big campaign to interest the people in growing cotton and the government has guaranteed a price for it. The campaign seems to have been a success. Cotton is growing everywhere. From Nankung southward it looks as if half the land were planted to cotton.

One might think that in an area so cut off from the world as this, trade would languish. But just the opposite seems to be happening. Business in towns like Linching, Weishien, Hantan, and Nankung is brisk. The shops are full of locally made goods and of things from across the lines. In all these towns the number of merchants and shops has more than doubled since the days of the Japanese occupation. With land and crops of their own, the peasants have money to spend for the first time in their lives. Merchants and craftsmen find it hard to keep up with the demand.

Perhaps the most striking thing about these towns is the absence of beggars. I cannot say there are no beggars in the Liberated Areas, for I have seen one, a ragged old man holding out a bowl on the main street of Wuan. I have also seen two or three blind men wandering about with a little brass gong, but they may have had some trade. It is hard to believe that in so short a time beggars could completely disappear, but it is so. The same goes for prostitutes. There aren't any. I haven't seen one and I have wandered about at all hours of the day and night on the main streets and back streets of the biggest towns in the area.

"ROAD TO NOWHERE"

Even more astonishing, is the lack of crime in the Liberated Areas. You can drive up to a building with a jeep loaded with baggage, jump out, go inside and talk for three hours and when you come back there will be a large crowd of people looking over your jeep but not one item will be missing. I had several boxes full of personal belongings scattered about my room at the tractor project in Chihsien. The door of the room was never locked and the compound gate was never shut, yet in four months I have never lost anything.

To maintain the tractors, we had some valuable tools and spare parts. It was some time before we managed to set up a good tool check system, but in all those weeks, even though large kits of tools were going out to the fields daily, we never lost a single kit.

The story concerning the Mobile Machine Shops from the Farm Shops program is interesting in this respect. These machine shops are perhaps the most valuable piece of equipment, pound for pound, that UNRRA sent to China. The two that finally ended up in the Liberated Areas were packed in Shanghai with extra parts, and welded shut. The Nationalists had no intention of letting them slip into Communist territory but they made the mistake of allowing them to be shipped to Tsanghsien. When Tsanghsien fell, the shops became CLARA's. The Farm Shops people in Shanghai thought they knew their China and made a bet with the man in charge of the Liberated Areas program. They bet five dollars that when he caught up with the Shops, they would be cleaned out, as dozens of others had been in Shanghai, despite heavy guards, locked gates and barbed wire. But when the Farm Shops men reached the site in Linchin, the two trucks were just as they had left them—complete and unopened.

Some foreign visitors have reported anti-American feeling directed at them. They say that they have been jeered at and spat upon for having white skin and long noses. I have not experienced any of this myself. While the people have no love for the American "Oppose Change Group" (reactionaries), they have never treated me with anything but friendliness. I spent some time convalescing from dysentery at the hospital in Tsanghsien. On sunny afternoons I used to wander up and down the banks of the Grand Canal. Chiang's troops were at the time pushing back toward the city. Overhead, fighter planes roared southward. Heavy guns could be heard in the distance. Yet people along the dyke used to ask me to sit down for a friendly chat. One man used to move over every time I went by and offer me the other end of the log on which he was sitting.

People Friendly

I found this same friendliness everywhere. Soldiers and militia men sometimes were surprised when I told them I was an American, but they went right on talking and asking questions in a friendly way. UNRRA co-workers told me that this was because we were operating in newly liberated areas where the Communists had not yet had a chance to rouse the people against us. But the attitude of the people was no different when I went into the mountains to the capital of the Chin-Chi-Lu-Yu area itself. I arrived by mule cart in the evening and immediately a crowd of children gathered to look me over, feel my clothes and ask questions.

"What country is yours?"

"I am an American."

"An American! How wonderful! Say, this fellow is an American!"

And so the word spread up and down the street. People came crowding in to look and to ask questions. "What do you think of the Liberated Areas?" and "Do all Americans support Chiang Kai-shek?"

The government treated us cordially, paid all our expenses, and tried to keep us happy and contented. It could not, unfortunately, let us go everywhere we wanted when we wanted. Many UNRRA workers could not or would not reconcile themselves to the fact that visits to certain areas and the taking of certain types of pictures were not allowed because of wartime conditions. They resented any restrictions on personal movements, heightened by the fact that they were not always told the real reason for not being allowed to do something. It is an old custom in China to say the road is bad or the weather is threatening when what you mean is that you don't want the visitor to go there just now. Communist officials are more frank than Kuomintang men but they still do not realize how much store westerners put in being told the real reason for everything.

Personal Frustrations

The restrictions on movements, though surprisingly few, considering the bitterness of the war, were interpreted by many foreigners as curtailment of inalienable rights and as proof of spreading bureaucratic tendencies and totalitarianism here. These personal frustrations seemed to carry more weight in forming overall conclusions about the area than the very real signs of democracy which were apparent on every hand.

To one just back from setting up a tractor project in Suiyuan, the differences between CLARA and CNRRA officials were striking. In Kuomintang areas top man is top man. His word is law. What he wants is supposed to be done. (If his subordinates don't like it, they sabotage it in one way or another). When he is away, all decisions hang fire. No one will take any responsibility. In the Liberated Areas it is different. Here responsible men lean over backward to get mutual agreement on policy all the way down the line. There are no one-man decisions on important issues, but rather committee decisions. Higher committees show considerable reluctance to force any action on lower ones. They seek rather to explain and persuade.

No One Man Decisions

Time and again I have told old Mr. Tu, head of CLARA's Linching office, that for the successful operation of the tractor project this or that must be done. "Yes," he would say, "I am convinced you are right, but I cannot just order it done. You see we must talk it over. Everyone must know the reason why this is essential. We must have a meeting on it and convince them." This is a slow way to work. It can be carried to extremes, but in the long run the results are better. People who do not agree with an order are apt to sabotage it, no matter who the boss is. The Communists, at least those in CLARA, tried to bring everyone into the making of decisions and enlist their support in carrying them out.

One the tractor project itself, democracy was the keynote. Staff and students met regularly to discuss problems and presented criticism to those in charge whenever they felt like it. The students decided their daily schedule, their working hours and their study time. They elected their own foremen and their own squad leaders. Having to stand up to the criticism of the majority and abide by their decisions made the work of a foreign adviser more complicated than it might have been, but it made it very interesting at the same time.

Nearly every day, Mr. Chang, head of the project, would come to me with some new complaint or idea that the students had—they weren't getting an equal chance to drive, the hours in the field were stretching out so that they had no time for study, I was wasting gasoline, and so on. One of the most frequent requests was that more time be spent on lectures and study pertaining to motors and farm machinery. Being an advocate of learning by practice, and also feeling that from the UNRRA point of view we must plow as much land as possible before the ground froze, I resisted classroom work as much as I could and a constant good-natured tug-of-war was waged over this issue. We finally settled it with a compromise. I agreed to give lectures on rainy days. As it turned out, it never rained thereafter so I won after all.

When it came to the utilization of the plowed land, everyone concerned,

from the poorest peasants to the hsien magistrate had their say. Some of the farmers, those with stock and tools, were all for parcelling out the land to those who could work it. The poor farmers, on the other hand, were for pooling it, village by village, and working it together. A series of meetings were held in the villages to discuss the problem, and the village leaders met with sub-district leaders more than once. In the end the poor farmers, who were in the majority, had their way and the land was pooled.

Special Feeding

The government men with whom I worked were sincere and hard working. They asked little for themselves. As a foreigner, I was considered to be in need of special feeding, and for the first few days the project staff ate good food with me. Then their consciences began to hurt. One morning I came to the table to find it set for two only, the interpreter and myself. The rest had decided my level of eating was too extravagant for them, too far above the people's diet. And so they banished me to a sumptuous solitude while they ate simpler fare in another part of the compound. I objected strenuously to this isolation and so once again we compromised. We ate simpler food and we ate together. As a result Chihsien became known to UNRRA personnel as the worst place in the area to stop for a meal.

During the last weeks of the summer drought I had a chance to see how these men reacted to a crisis. By August, the crops in Chihsien were beginning to show the effects of months of dry weather. The local people were alarmed. They began to haul water to their fields on their backs in the hope of saving at least a few square yards of crops. Old women and small children were struggling over the hot roads with carrying poles. We had a big water trailer and four large freight trailers. We also had some empty gasoline drums. It was decided to put this equipment into service hauling water. But, before anything was done, those in charge first found out who needed help the most, whether there were any widows, or sick, or disabled people who were unable to help themselves. Then we hauled water for them.

Hard Workers

That the government men work hard was many times impressed on me. One day I went to the sub-district office in search of Mr. Yu, head of Chihsien's third sub-district. There was no one at home but the clerk. Everyone else was out in the villages on business. We decided we would find Mr. Yu in the countryside and set out after him on a tractor. It turned out to be a wild ride, for the man we sought was on a bicycle and evidently had a lot of people to see that day. Every time we arrived in a village scores of children would rush up to tell us that he had just left for the north, south, east, or west, as the case might be. He was certainly no stranger to them. We finally caught up with him at a small office far out at the hsien border.

After discussing tractor business I asked Mr. Yu how much of their crop the local farmers paid in taxes. He answered in this way: Each grade of land has an estimated standard yield. Taxes are figured on the proportion of this standard actually harvested. The closer his crop comes to the standard, the larger is the percentage of it the farmer must pay in taxes. But if his crop exceeds the standard he pays no tax on that portion which is over. Also he pays no tax at all if his crop falls below a certain minimum yield per mou, or if his total yield is less than a certain minimum per capita for his family.

Basic Requirements

Take wheat as an example. If he gets less than 16 catties per mou he pays no tax. If he harvests less than 300 catties per member of his family, there is no tax. This policy is typical of land policies in the Border Regions. It is designed to assure everyone at least the basic requirements of life.

On another trip into the countryside I ran across a further example of this type of policy. I met a man from the Chinan bank who was on a tour of the villages in the drought-stricken areas. He was investigating conditions in order to determine on what basis loans should be granted this year—whether the regular eight to 15 percent should be charged, or whether reduced rates or no interest at all would be better. This man was actually living in the villages getting first-hand information. His bank, a government institution, had no fixed loan policy but adapted itself to the needs of the people.

But it is not only the lower civil servants that work hard, live simply, and try to understand the peasants' needs here. I met and worked with top government officials of the same calibre. One of these was Mr. Yuan, head of the Civil Affairs Bureau of the Chin-Chi-Lu-Yu Border Region, who was also a CLARA committee man. He was always on the move. He travelled from one end of the region to the other by truck, cart, horse, mule, and even on foot. He looked into conditions everywhere. One rainy night a group of us were stuck in the mud with six vehicles a few miles west of Linching. Rain had been falling for 15 hours, and the mud on the road was three feet deep in places. We could neither advance nor retreat and finally had to sleep on a cold kang in a village inn. That very night, Mr. Yuan came through on his horse for an important meeting in Linching. Two days later he was off again.

The attention of such men is not completely preoccupied with agricultural problems by any means. The development of transportation and industry occupies an important place in their thoughts and plans. Evidences of this were everywhere. We saw long stretches of road created in a few days. In Hantan a large motor pool and a transport depot is under construction. Strong new bricks are being used. The motor pool workers —mechanics, drivers, and office staff —are building their own brick dormitory. The Hantan railroad is being rebuilt.

Dyke Project

The largest project of all is of course the dyke work on the Yellow River, but this I did not see myself. However, I did see how the government and people met the threat of flood on the Grand Canal with a tremendous mobilization of men and material. In August, as the water in the canal rose, more than 100 miles of dyke were built up several feet in a few days. Weak spots were strengthened and brush reinforcements placed at the curves. Night and day, watchers manned lookout stations which were located every few hundred yards. At night one could follow with the eye the tortuous course of the river by the signal lanterns hung at each station. The water rose to within three inches of the top of the emergency embankments, and then receded. By united effort, a major disaster had been averted and the Grand Canal was held within its banks. It was only later, after Chiang's troops deliberately cut the dykes south of Tangkuantun, that Central Hopei was flooded.

Mobilizing to take action for their own protection and well being is taken for granted by people here, but it is a continual source of surprise to visitors. It was embarrassing for me, for instance, to confer with the CLARA men in Linching about the difficulty of getting our plowed land planted without grain drills, and to urge immediate action, only to return to Chihsien and find the entire land in question already planted to wheat. During the few days I was gone, village meetings were held, seed distributed, plans quickly laid and almost 10,000 mou of land planted. The people simply went out with all the animals, seed-

ers, rollers, and labor they had and put in the crop. One group of 14 villages planted 5,000 mou in one forenoon. To be truthful, I believe that by this effort they even surprised themselves.

Mutual aid groups, whereby as many as 80 to 100 families pool labor, stock and tools to do their work in common, are widespread. But the mobilization of the people does not stop here. Even small children are drawn into social effort whenever possible. Not only are they going to school everywhere and helping around the farms, but they are organized into brigades to guard roads and catch spies. They take this duty very seriously. I said above that people pass freely along the roads and in and out of towns. They do except when the children are on duty. Then, no matter who you are, you may be stopped and asked for your pass.

It is comical to see some six foot lad, armed with a pistol and carrying a dispatch case, pushing his bicycle vigorously through the city gate when suddenly a small boy, not quite three feet high, runs up behind him and says, "Where are you going?" The big fellow turns around abruptly, as if to say "None of your business," but, catching sight of the determined little face below, he quickly smiles, looks resigned, glances at the bystanders as if to say, "what can one do?" and reaches deep into his padded clothing for his pass. The boy unfolds it but cannot read. With dignity he takes it off to some older person who passes it around until somebody is found who can read it. If it sounds all right, he waves the traveler on. Sometimes these small militia men carry spears decorated with red tassels.

Everything that has been achieved in the Communist areas has been carried through by the united efforts and hard work of the people. The people's brains and muscles are the only resource. By modern standards China has not begun to industrialize, but compared with the Liberated Areas, Kuomintang China is an industrial giant with trucks, ships, trains and planes, mills, mines, and power stations. Fast mail, telegraph, telephone and radio link the major ports and cities. Here a telephone line is a rarity and is usually patched with small lengths of wire, many of them not more than two or three feet long. The main lines look like the knotted wires we use in America to plant check-rowed corn. In spite of these handicaps, people are in touch with each other throughout the area. Carts and bicycles travel the highways, newspapers are distributed, mail is delivered and when something important occurs every villager is informed by megaphone.

Newcomers to the Liberated Areas are often startled, as I was my first evening, by a noise which sounds like a combination of a dying cow and a donkey calling his wife. Upon inquiry he will find that this is nothing but the village announcer shouting through a megaphone from the top of the highest roof. I sometimes doubted the effectiveness of this means of communication, for whenever I heard the noise I used to ask those nearby what was being said. They invariably answered that they couldn't make it out. On one occasion, however, it did work without a doubt. I went to a small village in search of a man named Han Daming, labor hero number two of the Chin-Chi-Lu-Yu. The village major said Han lived half a li away in another small settlement, whereupon he proceeded to the roof of his office with shouting tube in hand and summoned Han with a bull-like bellow. In a few minutes Han appeared.

Labor Hero

This Han is typical of the men who have come to the fore through the years of war and revolution. He is now 43 years old. He stands six feet tall, is lean and strong. He talks freely of the trials he and his village have been through and with pride of the way they have overcome all obstacles. Once he had 10 mou of very poor land. Then the Japanese came, and after them the flood and then the drought. The peasants sold their stock and tools in order to live a few months longer. Then they died by the hundreds. Han refused to die. He tried eating the seeds of weeds and grasses and found some that were nourishing. He organized groups to hunt these out. Those who survived went on to reclaim land under Han's leadership. They pulled plows with yokes on their necks. They collected tons of wild grass for sale as fuel in the city. They fought the Japanese. Then came VJ day, the Civil War, and the land reform. Now Han has over 30 mou and a new strong bull which he won when he was chosen as a labor hero by his neighbors, by his sub-district, by his hsien, by his sub-region, and, finally, by a conference of labor heroes of the whole Chin-Chi-Lu-Yu Border Region. Now, though he still lives and works on his own small farm, he is a local leader and a national hero.

People Eager

As I talked to Han, the other villagers gathered eagerly around and joined in the discussion. Each had something to add to what Han Daming was saying. When the talk turned to the future, of the land they expected to reclaim, of the mutual aid they were even now organizing, of the winter production to come, of the possibility of a tract or brigade for their sub-district, they all began to talk at once, as if a spark had suddenly caught fire.

Talking to these people one cannot help feeling that this land has a future. After 4,000 years they have suddenly started to move forward, perhaps not all at once, or at the same speed. But this year, life is better than last, next year is already in their minds and they are turning over and over 1,000 new ways to increase production, to add to their land and to work together.

This new mood is the result of the land reform and the new lease on life it has given the majority here. I did not see any settlement meetings. I have not had time to study how the reform was carried out or to gather statistics on the redistribution. But one thing is certain: The land and wealth derived from land has been divided. Land distribution is a reality and the people are for it. Those who have always worked the land now own it. Ask anyone on the road. He will tell you 'Our family got three mou, a cart and a three section house" or "We got a cow, five mou, and eight bushels of grain" or "I got two mou. I took the rest in cash."

People Will Fight

The people are behind the land reform and they are willng to fight for their right to own a few mou. Just this week, as I came into the mountains, I met 600 young men on the road. Each had his bed roll on his back and a few utensils strung on his belt. They walked along in groups of two and three, talking and laughing together. They were the volunteers of but one sub-district on their way to the Hsien city to join up. There was not one man in uniform among them nor any armed escort to herd them on their way. The only weapon in the crowd was an old rabbit gun almost six feet long that one of the recruits was bringing with him as a personal contribution to the fire power of the army. A three-day campaign had brought 4,000 volunteers in that one hsien alone. Many more were turned down because they were needed at home, their health was poor, or their character unsavory. Only the very best men can get into the army now.

And that is something to think about in a land where traditionally armies have been built by tying ropes around defenseless peasants' necks.

FIRST PRIORITY

From The New Republic

"Of Course We'll Resurrect France— As Soon As We're Through Here."

Can The Communists Rule China?

Duncan C. Lee

(Special Correspondent, The China Weekly Review)

AFTER World War II, mankind's traditional motives of self interest, which had temporarily disappeared in the face of common danger, came to the fore once more for all to see. They are manifest in the distrust and suspicion evident today in both capitalist and communist countries. On the one hand, the United States is tightening her grip on Greece and Turkey with enormous investments in the industries of these countries, and is attempting to check the spread of communism over Europe by means of the Marshall Plan, all the while working feverishly to keep her lead in the race for atomic power.

On the other hand, the USSR, though badly crippled by losses inflicted by the Nazis, has lost no time in making use of post-war chaos and hunger to encourage communism in much of devastated Europe, and has countered the proposed Marshall Plan with a new Third International. The small countries, frightened and nervous, are gradually joining one camp or the other, until it seems that the One World envisioned during the war years is rapidly becoming two.

Skilled Propaganda

We in China are unfortunate in having had our country dragged into a civil war which has been in progress for many decades. The majority of Chinese have been suffering, and are still suffering, at the hands of a minority who, with the use of skilled propaganda, are pushing their own interests at the expense of their fellow nationals. Many people fear that China, beset by floods, devastation and famine, will become a breeding ground for communism, and thus are determined to combat by whatever means possible the threat of an early Chinese Red victory.

But an analysis of the Chinese peasant psychology, keeping the background of Chinese history in mind, together with a good look at what the Chinese Reds are doing, will perhaps show that China can never be fertile ground for the spread of communism.

The Chinese farmers are traditionally a peace-loving people. Their chief desire is to be let alone so that they may till their land as their forefathers have done for thousands of years. They hate war, and even a quarrel among their fellow villagers is quickly arbitrated and settled. They prefer harmony and compromise, never going to extremes. As they are not politically minded, we have few instances of real peasant revolutions or political upheavals in Chinese history. Many an emperor who had contemplated world conquest upon his ascension to the throne gave up his hopes quickly enough when he realized how extremely weak were the ties which bound his people to him.

Asked what political party he likes best, the good Chinese farmer will grin and answer, "What damned party! Land and peace are most important to me. I know no party and I don't think any party alone can save us."

Many observations, both foreign and Chinese, regarding Chinese political phenomena are not valid because they are not based on China's specific background. Many a doctrine and "ism'" holding good in foreign countries becomes quite different when put into practice in China. Since VJ Day, it has been considered fair sport in all parts of China to harp on the darker aspects of the National Government and this is certainly legitimate if, by criticism and exposure, we hope to eradicate the evils.

Panegyric Praise

However, along with this criticism, we also hear much panegyric praise of the communists and things which are being done in the Red areas, praise from people who, in many cases, have no idea at all of what is actually going on there but who merely hope to be considered liberal and progressive in their views.

Although the present government is far from satisfactory to the majority of Chinese, we should avoid being led to believe that everything being done in Red China is consistant with the principle of "for the people, of the people and by the people." Let us weigh the good against the evil.

In Honan, I live so near the communists that a few miles of walking will bring me among them. I have watched them and listened closely, and it seems to me that in trying to destroy one government and one set of standards they have failed utterly to establish new ones to take their places. How else can it be explained why so many public functionaries, school teachers, students and civilians were rounded up and, in many cases, killed by the "new democratic" Red soldiers and party officials? Was their crime the possession of wealth? Certainly not in the great majority of cases. Then just what was their crime, and by what standards are they being punished?

Punishment Unjustified

Countless refugees are fleeing from the Red areas to nearby cities controlled by the Government, fleeing from gunfire and the looting of soldiers. If they return to their homes, death awaits them, for by Red standards flight means "rebellion." A close relative of mine who had barely escaped with his life from his native place in North Honan told me that his father, a good farmer with 20 mow of land and five children, had been thrown to his death from a cliff after a meeting of the "People's Struggle Council." He added that many of his fellow villagers had also been tried and put to death, and he could not see that their crimes, whatever they might have been, justified such punishment.

Then there is the business of freedom. While the communists boast a "New Democracy" in their Liberated Area, we can see no independent newspapers or magazines published there. Thought-control is a part of all totalitarian regimes, and in communist China the leaders allow the newspapers to print only what they want the people to believe.

If this is a "New Democracy," how many political parties is it composed of, even nominally? I am afraid that, if the communists eventually control all of China, the present liberal English or Chinese newspapers and magazines in Shanghai and other cities would soon be eliminated.

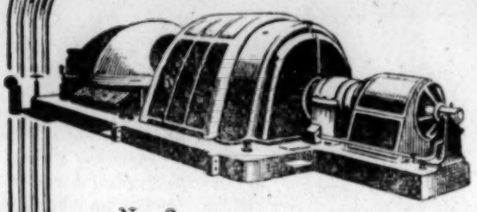
A charge which has often been made against the Nationalists is that they seize UNRRA relief supplies for military use. In a trip to northeast Honan several months ago, I saw with my own eyes soldiers of the Red army crossing the Lunghai Railroad carrying hundreds of bags of UNRRA flour for their own use. Another charge made against Nationalist troops is that of pillaging, but a friend of mine, just back from Chowchiakow in southeast Honan described vividly the pillaging that went on in that city after its capture by the communist troops.

Monopoly Unwanted

In China, as elsewhere, when one political party endeavors to hold intact the status quo, as has the KMT, any opposing group will try to upset it. If the opposing group is successful and gets into power, it will likewise guard against anyone else usurping any of that power. We Chinese don't want any form of government in which only one party or faction has a monopoly. We want a government founded on a basis of wide support, in which the voices of every citizen, regardless of political belief, can be heard. We think that self-interested individuals can be peacefully reconciled to one another in order to promote the welfare of the country instead of fighting it out on the battle ground.

We admit that there must be land reform, but by peaceful means, for only by union and cooperation can we achieve a healthy, prosperous nation. Armed revolution costs lives and material destruction, and, as does any war, it causes great suffering to the common people. As the communists continue to forsake the people whose support any true revolution must enlist, they will ultimately meet with failure.

SAVE POWER • AID INDUSTRY

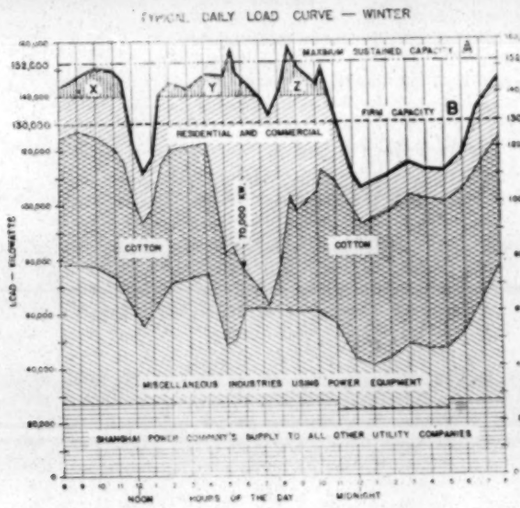


TO RESIDENTIAL and COMMERCIAL CONSUMERS OF ELECTRICITY

No. 2

Heavy restrictive charges enforced since October 1, 1947, have resulted in the release for industrial use of 7,000 kilowatts, representing only one-third of the required 20,000 kilowatts. Industries must be served in order to produce and reduce unemployment.

Below is a twenty-four hour graph showing power demands on us by other utility companies; miscellaneous industries using power; the cotton industry; and by the residential and commercial groups of users.



Line A: MAXIMUM SUSTAINED CAPACITY

152,000 KW represents the total amount of power (kilowatts) the Company can supply and sustain with all generators operating.

Line B: FIRM CAPACITY

130,000 KW represents the total amount of power available when a large generator is shut down for needed attention. Needless to say, all machinery — particularly running machinery—needs constant attention, regular overhaul, and periodic repairs.

If the demand exceeds either of these capacities, load must be reduced.

All residential and commercial consumers can assist materially by using electricity sparingly at all times, and particularly during the PEAK HOURS when the load is at its highest,—See Areas "X", "Y" and "Z" at the top of the graph. These areas cover the times from:

7:30 a.m. until 11:30 a.m. (Area "X")
1:30 p.m. until 7:30 p.m. (Area "Y")
8:00 p.m. until 10:30 p.m. (Area "Z")

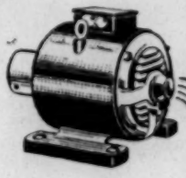
Of these periods, 5:00 p.m. until 7:30 p.m.; and 8:00 p.m. until 10:30 p.m. are hours of darkness. During these hours the use of electricity should be carefully controlled:

1) by switching off all unnecessary lamps;
2) by reducing wherever possible the number or size (wattage) of lamps;
3) by cooking with coal, briquettes, oil or wood instead of by electricity;
4) by abstaining from using electric radiators for space heating.

These are but a few of the many ways in which our consumers can assist in conserving electricity.

Watch your consumption of electricity. Learn how to read your meter and then read it regularly.

Your cooperation may obviate the imposition of more controls.



SHANGHAI POWER COMPANY

WESTERN DISTRICT POWER COMPANY

TURN WASTAGE TO PRODUCTION

Return To Silver??

J. R. Kaim

WHEN Mr. Pei Tsu-yee, head of the China-aid mission to Washington and previously Governor of the Central Bank of China, left Shanghai on January 14, it was said that he carried in his brief-case two currency reform plans. One, it was reported, referred to "the adoption of a gold standard currency", and the other to "a reversion to a silver dollar system." No sooner had Mr. Pei departed than discussion began as to whether China, or any other member of the International Monetary Fund and the International Bank, should be permitted or recommended to stabilize its currency on silver, even if it were in a position to do so. However, a discussion of this nature would seem to be premature for various reasons which I shall attempt to outline.

Silver System

Whoever thought up the term "reversion to a silver dollar system" was, no doubt, a cautious observer, since the phrase actually does not mean much. It does not mean that the currency would be on a silver standard, nor does it necessarily mean that silver coins would circulate in the country. All it actually indicates is that the country involved would reckon with, and base monetary policy on, silver.

As a monetary standard silver is regarded with disfavor, especially because of its tremendous price fluctuations. Such price fluctuations, of course, refer to the gold value, or price in gold, of silver. Less than five years after World War I, the gold price of silver declined by almost 60 percent. Changes in the price of silver usually affect the exchanges, and in bank and business transactions have often led to heavy losses for either one or the other of the parties involved.

Since the years just after World War I, however, something has happened to the gold market too. It is well known that today the price of gold is far from stable, and the difference between the official world price and the actual price has, in a certain country, been as high as 60 and even 70 percent. The genuine "gold standard" has disappeared. Nowhere does free coinage of gold exist. Nowhere is gold redeemed on demand for paper money, and nowhere is gold accepted as legal tender. In other words, nowhere are the three main requirements for a genuine gold standard fulfilled. Actually, nowadays we have, on the one hand, gold as a calculating unit at a price which almost forces those countries which are badly off to sell their holdings. On the other hand, we have gold as a commodity which is being marketed, mostly in a clandestine way, at far higher and widely fluctuating prices.

Advantages Gone

Thus, obviously, some of the prewar advantages of gold have vanished. But the old disadvantages of silver have remained, and to these disadvantages a new one has been added: the International Fund neither acknowledges nor reckons with silver, but is a pool of gold and foreign exchange alone. Also, as a member of the International Bank, any silver currency country is faced with the obstacle of having to pay a certain percentage of its subscription in either gold or American dollars.

So far as this writer remembers, the first hint that China would coin silver came from a Mexican official who, several months ago, claimed in Washington that negotiations to that effect were to be expected. Commenting on his statement, some financiers, here as well as abroad, said that the idea was sound. Others claimed that there would not be enough metal to allow the cir-

中央信託局

THE CENTRAL TRUST OF CHINA

A Trust Which Commands Confidence

Chartered Under Special Mandate of the National Government

●

TRUST BUSINESS OF EVERY KIND UNDERTAKEN AT MODERATE CHARGE

culation of coins in China and that what coins were issued would be bound to disappear into the silver pots of hoarders.

Many Problems

Obviously silver as a currency base would present many problems even if no silver standard in the old sense of the term is accepted—i.e. that silver could not be redeemed on demand for paper money, and that coinage would be restricted to token coins. For the basic problems of China, or any other country, cannot be solved by the manipulation of either gold or silver alone. The balancing of overseas payments, the adjustment of foreign trade, and spending according to fixed budgets —these certainly are problems which even the most clever currency reform cannot solve for any long period. They are problems which can be solved only when production is increased and confidence in the national tender, no matter what its name, is restored. As long as production remains limited and producers are not eager to sell; as long as high prices continue to hamper exports and as long as merchants and manufacturers can keep in business only by bypassing existing controls, any new currency will be jeopardized from the very start.

Nothing can be achieved while the national budget is not balanced, and probably there can be no balanced budget as long as emergency conditions, such as those created by the Civil War, exist. History has shown time and again that inflations cannot be stopped by currency reforms alone. In Hungary, for instance, a new currency was established hardly more than a year ago. It is already inflated again, and in France, the possibility of a new devaluation of the franc is becoming more and more probable. What the Hungarians could not achieve in their small country was political stability. What France has tried to achieve, in vain so far, are sound economic foundations in general. So long as she cannot reach that goal, no manipulation of her currency can help very much. Obviously the same applies to the Chinese National Currency.

Fundamental Sources

To discuss the advantages and disadvantages of a "silver dollar system" in China today would seem somewhat premature when we consider her existing economic, political and military conditions. Silver may be good or bad. It may or may not be as bad a currency basis as it was two and a half decades ago; but it can achieve nothing spectacular or lasting as long as the fundamental sources of China's financial troubles continue to exist. The principal question to be answered is whether a loan, be it large or small, can stop the money inflation for more than a short period. Primarily, money inflation is not a cause; it is a consequence. Until the cause is removed, until the general economic situation is straightened out, the metal basis of legal tender will be only of secondary importance.

The Week's Business

WHILE during the week ending January 21, newspapers carried long comments on the present loan and currency stabilization negotiations in Washington, Government banks here, following the advice given by Nanking continued to tighten the money market.

Money was scarce indeed and the private "black" interest rate was around 28 percent per month at the beginning of the week. It came down to 26 percent on Tuesday last but the small drop certainly did not indicate that the market had become less tight. Businessmen believed that the decline was caused by scarce trade opportunities rather than by an easier market.

With the Lunar Festival approaching, firms are eager to collect funds for the usual annual settlement and collecting of such funds appears to have been and still is far from a simple matter. In spite of contradictory reports issued by different news agencies, the number of dishonored checks again increased, which fact, if correctly reported, would indicate a further deterioration of the general business situation. Contradictory reports in this respect were characterized by the following two items both published in the local press on January 21:

"According to latest statistics of the Finance Control Bureau, check bouncing in Shanghai is on the decline with dishonored checks occupying only 5.51 percent of the total practice of issuing rubber checks, *News* reports.

"Until recently, check bouncing in Shanghai reached an alarming proportion.

"The Bureau is presently sparing no effort in wiping out the malpractice of issuing "rubber checks, it is learned."

Contrary to the above quoted report issued by a semi-official agency, a new item issued by the United Credit Information Bureau of the four Government banks ran as follows:

"The Shanghai Bankers Clearing House returned 31,559 checks as dishonored during the week ending Jan. 17, the clearing house told UCIB.

"The amount involved totaled CNC$848,200,000,000, an increase of CNC$489,400,000,000 over the face value of the total number of dishonored checks during the previous week."

Indications are that the second of the above reports gives the more correct picture of the actual situation.

Meanwhile, the general turnover in consumer goods was reported to have registered drastic declines. Both importers and wholesalers stated that certain import goods, which in December last had been in high demand and are still needed by consumers, could not be marketed due to the tight money situation. Simultaneously, wholesalers claimed that several retailers have been in no position to buy and pay for cargo they had ordered some weeks ago. On some cases margin money had been deposited.

Exporters, on the other hand, admitted that due to the recent readjustment of official foreign exchange rates they have been given the opportunity to ship cargo and to compete on foreign markets. Correct as such statements are, however, they do not refer to all China products. While, for instance, hog casings and feathers could be shipped, skin and fur exporters apparently are seeing no good prospects and would-be raw silk exporters are practically out of business.

As to silk and rayon, a report published some days ago claimed that Government offices are preparing, and perhaps have already concluded, new arrangements by which raw silk would be bartered for rayon. The latter, according to the report, would be distributed among local weaving mills and the finished goods then re-exported. Business men believe, however, that such reports are premature and are to be taken with a grain of salt. Actually, negotiations took place in Nanking as well as here but no results have yet been achieved.

During the week under review, foodstuff prices showed comparatively small fluctuations whereas all textile markets were extremely erratic.

Most spectacular developments were to be witnessed on the Stock Exchange where, in the course of the week under review, leading shares suffered tremendous losses. Wing On Textiles, the "leading stock" lost almost 20 percent, Commercial Press, another representative stock went down by 28 percent.

Quotations

Stocks	Jan. 14	Jan. 21
	CNC$	CNC$
Wing On Textiles	815	700
Mayar Silk	1,310	1,035
Commercial Press	430	310
Wing On Co.	310	260
Ewo Cotton	650,000	540,000
Bond C	68,000	74,000

Commodities	Jan. 14	Jan. 21
	CNC$	CNC$
White Rice, first	1,425,000	1,355,000
Wheat Flour	598,000	545,000
Peanut Oil	3,040,000	2,930,000
Raw Silk "C"	102,000,000	90,000,000
Jap. Rayon	104,000,000	89,000,000
Cotton Yarn 42	61,300,000	56,800,000
Cotton Yarn 20	36,200,000	34,300,000
Caustic Soda	58,000,000	52,500,000
Koo Pun Soap	1,870,000	1,775,000

The Review's English Lesson—XV

SPECULATION ON WALLACE IN THE US PRESIDENTIAL RACE

THE entrance of Henry Wallace into the current race for president of the US has aroused a great number of guesses about the chances not of Wallace but of many other possible candidates of the two major parties. Because several of the ideas and names in today's lesson will be passed around the world in the next 10 months, we try now to give our readers a simple understanding of these points.

In the two paragraphs adapted below from *Time* Magazine, January 12, 1948, p. 6, we see some of the thoughts of those who are weighing the chances of the Republicans (GOP) as a result of Wallace's action. The general idea that the passage assumes is that Wallace's move has weakened the Democrats because some people who would support the Democrats in preference to the Republicans might now vote for Wallace and his third party. This would, of course, take votes from the Democrats in their struggle against the Republicans.

"The Wallace entry into **the presidential race** (1) **inspired** (2) **a flurry** (3) of furious calculations among both Democratic and Republican **politicos** (4). GOP residential hopefuls, who had to face their first test in the **June convention** (5), promptly began **figuring the odds** (6) all over again.

"If Wallace **could be counted on** (7) to lose New York for the Democrats, the GOP would not need Tom Dewey to win for them. That seemed **to make things nice for** (8) Senator Bob Taft. The more **key states** (9) Wallace could throw to the GOP, the more he would subtract from the appeal of **Ike Eisenhower** (10).....As a result, Republican **dark horses** (11) began to get interested in their own chances. Illinois' Representative Leo Allen was encouraged enough to start a new one-man **boomlet** (12) for Speaker Joe Martin."

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1. There are really two presidential races. The first race is for candidates of the respective parties to be nominated as their party's choice for president and vice-president. This is done at the party conventions in the early summer of each presidential election year—once every four years. The second race is for the party candidates to win the votes of the people in the election for president held early in November every four years. The first race is for party nomination; the second, for actual election.

2. "Caused" or "gave rise to". Generally we use "to inspire" in the sense of "to encourage with a lofty or a spiritual ideal". However, it is now coming into common use as noted above. Another use has also grown up in the last 20 years, i.e., "to dictate an idea officially but secretly". Examples of all three uses are as follows:

a) His example of courage **inspired** me to forget my troubles.
b) The drop in prices **inspired** many rumors about the government.
c) The story was **inspired** by the government for military purposes.

3. "A sudden rush or wave".

4. "Politicians". Used in a satirical sense as if laughing at the political leaders concerned. Another example of changing the form of a word for satirical effect is: "educationist" instead of the more common "educator".

5. "Convention or meeting of the Republican Party in June, 1948, to nominate the Republican candidates for president and vice-president."

6. "Counting their chances". The expression comes from betting where different factors give varied chances of success. These varied chances are known as the "odds".

7. "could be depended on".

8. "To help (the chances of)". The thinking here is as follows: If Wallace would cause the Democrats (his former party) to lose the many votes of New York State (see Para 2 in the introduction), the Republicans would not have to nominate as their candidate Thomas Dewey, the present Republican Governor of New York State, in order to win New York State's votes. If Dewey were not nominated, the second choice would probably be Senator Taft of Ohio.

9. "Important or decisive states". Such states would be those that have a large number of voters, or that are the native states of candidates or of important persons connected with the presidential race.

10. "General Eisenhower". At present General Eisenhower is being discussed as the most popular candidate, both for nomination by the Republicans and for election as president. If the Republicans were not sure of winning the election with either of their present possible candidates—Dewey or Taft—they would nominate Eisenhower. But if Wallace weakens the Democrats in some key states, the Republicans could choose someone less popular than Eisenhower and more certain to follow their current political line.

11. "Unknown possible candidates".

12. "A small movement". This is another example of the device mentioned in Item 4: changing the form of a word for satirical effect. In this case, the author has added "—let" (suffix meaning "small") to the word "boom" (used in the political sense of "movement"). Other examples are: "booklet" for "a small book", "starlet" for "a budding motion picture actress," and so on.

What U.S. Papers Say . . .

THE *New York Herald Tribune* reported a strong difference of opinion in "America's Town Meeting of the Air" discussion of "What should we do in China now?" The situation in Korea was fully discussed in several leading American papers.

* * *

China

COMMENTING on the recent discussion of the situation in China, the *New York Herald Tribune* said:

"Favoring widespread American aid to the Government of Generalissimo Chiang Kai-shek were William C. Bullitt, former American Ambassador to Russia, and Representative Walter H. Judd. Ranged against such aid were Owen Lattimore, director of the Walter Hines Page School of International Relations at Johns Hopkins University, and Richard Lauterbach, editor-in-chief of '48, The Magazine of the Year.

"Both Bullitt and Judd stressed the menace of Soviet Russia in the Far East in urging immediate American aid to Chiang's Nationalist regime.

"Bullitt declared that failure to support Chiang now would mean a Communist China, a Communist Japan, and that the American people in the end would face attack by the combined Communist forces of Russia, China and Japan. During his speech and in the question period which followed, Bullitt referred to General Albert C. Wedemeyer's four-month-old report on China. He said General Wedemeyer had favored aid to China, but publication of the report had been held up in Washington because it contained personal opinions on the world political balance which the Government deemed inadvisable to release.

"Representative Judd said that China had admittedly bad conditions in government, but added that only a free China would be able to build a better one. And a free China, he emphasized, meant a China free of Communist domination.

"Judd said that in his opinion the best chance of preventing World War III is to make sure that Russia does not get control over the Chinese, thereby eliminating her Asiatic front and becoming free to concentrate all her efforts on her other front, Europe.

"Lattimore and Lauterbach united in denouncing the Chinese National Government as reactionary, corrupt, incompetent and wasteful. Lattimore said the Chinese people objected to foreign intervention by no matter whom and that Americans right now were more unpopular than the Russians.

"According to Lattimore, 'Our relations with Russia can only be settled between Washington and Moscow. They cannot be settled in China. The present Government of China has definitely proved one thing. It is the most inefficient and most expensive instrument we could possibly use to stop Russia and the spread of Communism.'

"Lauterbach described the Chiang regime as a 'government which stifles free enterprise, a government which has employed Nazis, which profiteers with relief foods and funds, a government which does not keep its pledged word.' The National Government, Lauterbach charged, ruthlessly stamped out liberal opposition and is busy lining its own pockets while its people starve."

* * *

Korea

THE *New York Times* expressed fear that arrival of the UN Temporary Commission on Korea will bring closer the showdown between the United Nations and the Soviet Government.

"The commission is charged by the UN General Assembly with observing the election of a National Assembly in both north and south Korea to be held not later than March 31, advising on the formulation of a national government, seeing that this government becomes a going concern and then arranging with the Soviets and the United States to withdraw their troops....

"The enthusiasm with which the UN commission was greeted at Seoul indicates that the Koreans themselves see in it a hope for independence that they had almost lost before the fact of the Soviet-U.S. deadlock. If Russia does not attempt to block the commission, Korean independence can be attained before the year is out, instead of at some distant 'in due course' date. The Soviet Government may decide that acquiescence now is the wiser course. If it does not, then this is the time and Korea the place to put before the world the question of which is to decide such matters, the majority of nations or just a single power."

The *Washington Star* stated: "In the circumstances, the UN commission in Seoul is not likely to achieve an early success. But it can exert moral pressure of a sort that the men of the Kremlin do not welcome. They cannot keep on with their boycotts without taking the risk of being universally condemned for their cold war against peace and freedom. Thick-skinned and ruthless as they may be, they probably do not relish the idea of being pariahs and they may yet be forced to take a more cooperative line if the United Nations keeps the spotlight on them and works militantly at the task such as the one now before it in Korea."

Who's Who in China

CHIA CHING-TEH, member of the Central Supervisory Committee of the Kuomintang, and Commissioner of Personnel, Examination Yuan; born at Tuanshih, Tsinshui, Shansi, 1880; studied in the Shansi Academy; passed the Pro-

Chia Ching-teh

(賈景德)

vincial Royal Literary Examination for degree of Chu-Jen, 1903; the National Royal Literary Examination for degree of Tsin-Shih, 1904; held the following positions in succession: magistrate of Chaoyuan, then T'ancheng, Shantung; counsellor to the Provincial Government of Heilungkiang; chief secretary of the Governor's Office, Shansi; commissioner of Yen-Men Prefecture; chief justice, Military Court, North Shansi; commissioner of Tsi-Ning Prefecture, Shantung; commissioner of Police Administration, and Civil Administration, Shansi; secretary general of the Governor's Office, Shansi; director of Tungcheng Railway Administration; superintendent, Chengtai Railway Bureau; secretary general, Peiping-Tientsin Garrison Headquarters; member of Taiyuan Political Council; secretary general of Taiyuan Pacification Headquarters; member of Supervisory Commission of the Supreme National Defence Council; adviser to the Executive Yuan; member of the Central Supervisory Committee of the Kuomintang; commissioner of Personnel, Examination Yuan; author of "Anthology of T'aoyuan Poems," "Collection of T'aoyuan Essays" and "Speeches on Civil Service."; address: Personnel, Examination Yuan, Nanking.

THE MOSCOW HITCHHIKER
—Hungerford in the Pittsburgh Post-Gazette

What Chinese Papers Say

THE "unfortunate" Kowloon episode called forth much editorial comment in the Chinese press last week. Other subjects of interest were Currency Reform, the Northeast and the worldwide Liberal movement.

* * *

Kowloon Incident

THE *Chung Yang Jih Pao*, a Kuomintang organ, said that because the Hongkong Government acted without regard for legal principles and facts, the Kowloon incident led to tragic bloodshed the other day. This has aroused the indignation of all the Chinese people and we wish to call the attention of the British Government authorities to this fact. "The incident was caused by the fact that the Hongkong Government on November 27 last, ordered the 2,000 residents of Kowloon City to tear down their own houses and move away. These residents felt that since Kowloon City belonged to China and since it is still under the jurisdiction of the Chinese Government, there was no reason why they should demolish their homes and depart.

"Thereupon, the Hongkong authorities neither showed any regard for the law or the facts, nor sought to settle the matter by diplomatic means. During this unfortunate tragedy, women and children shed blood and the Hongkong police were extremely barbarous. How can one speak of humanitarianism in a case like this?

"Now we wish to call upon the British Government and the Hongkong authorities to wake up thoroughly, to value the longstanding friendly relations between the Chinese and British peoples, to abide by the relative treaty provisions, to respect China's right to govern Kowloon City, to withdraw the armed Hongkong police, to restore the freedom of residence of the people in Kowloon city, to release the representatives of the residents, and to indemnify the residents for all the losses in life and property they have sustained. At the same time, we urge our Government authorities to take effective measures immediately to protect our sovereignty over Kowloon and the lives and property of the people living there," the *Chung Yang Jih Pao* concluded.

The KMT-supervized, CC Organ, *Shun Pao* reminded its readers that some time ago it had pointed out Kowloon is not under the jurisdiction of the Hongkong Government and that, regardless of the reason, that government had no right to move the residents out by demolishing their houses, without first ensuring the livelihood of the people.

"Now we regret that this incident has been aggravated," it continued. "What we wish to point out is this: The incident does not necessarily reflect the policy of the British Government, but has been due to the fact that the Hongkong Government looked upon it as a local matter and dealt with it in a rather rash manner.

"The excitement on the part of the Chinese people which has been aroused by the Kowloon incident, indicates that the Chinese nation is still full of vitality and that is very gratifying. Out of their righteous indignation, students in different parts of the country are now planning to take action. This of course is a noble expression of their patriotism and is praiseworthy.

"Finally, we feel that if the Communist bandits had not rebelled against the Government after VJ Day, we might have been able to recover Hongkong and Kowloon long ago. At this time when the Kowloon incident has been further aggravated, we hope the Chinese people will understand better the great harm the Communist bandits have done to the nation, and that they will all rise and positively participate in the rebellion-quelling campaign.

* * *

Currency Reform

IF the rumored currency reform is actually being planned, it is hoped that the Government will take strong measures to halt the 10-year old inflation and, thus, stabilize the economy, said the *Ta Kung Pao*, Independent, Political Science Group organ. "However, stabilization of commodity prices cannot be achieved merely by replacing the existing currency with a new one. Success or failure of the currency reform will depend mainly upon whether the State budget can be balanced. We shall be deceiving ourselves if we do not seek the most fundamental solution by balancing the budget instead of relying on currency reform to stabilize our economy.

"If we are successful in balancing the State budget, and if stability of the currency value is actually achieved after the currency reform, then we must be prepared for a very grave economic depression. We wish hereby to advise banking and financial, as well as industrial and commercial circles, to make preparations in advance so that when commodity prices cease to rise, they will be able to cope with the forthcoming disaster.

"In reforming the currency after a period of inflation, we must carefully evaluate the existing currency. If such evaluation is not well done, it will doubtless cause the entire economy to be disturbed with the result that, eventually, the new currency will prove a failure. On the other hand, a good foreign exchange rate and a good exchange rate between the old and new currencies will reduce the extent of depression after the currency is stabilized and conserve foreign exchange and the reserve fund for the new currency, so that it will be easier for the currency reform to prove a success."

* * *

The Northeast

IN the event that the Chinese Communists take over the entire Northeast, they would then be in a position to occupy all of North China with great speed, the *Chung Hwa Shih Pao*, YCP organ, declared. "Should North China be lost it would be impossible for the Government to preserve Central and South China . . . so in order to defend the whole of China we must defend North China and, specifically, the Northeast.

"How can the Northeast be successfully defended? First, the Government must seek to regain the confidence of the people, which it has completely lost, by removing from their posts without mercy all those officials with bad records. Secondly, taxes must be reduced and the Governmental personnel must be cut down so that the people's burden may be lightened. Thirdly, the people should be permitted to organize their own self-defense forces. Fourthly, militarily, the officers must identify themselves with the enlisted men, and the troops with the civilians.

"In a word, the defense of the Northeast today is not purely a military problem, but depends upon whether or not all efforts in this direction can be well coordinated."

* * *

Liberal Movement

"SINCE the New Year, a new trend has been in the ascendancy in the world," the *Ta Kung Pao* said. "The new international movement which has been developing, with the middle-of-the-road parties in Britain and France as the center, is certainly gratifying. This, coupled with the recent bombshell announcement by Mr. Henry Wallace that he would organize a new political party, is very encouraging to liberals all over the world and will spur them on to unite and to go a step further and make positive efforts.

"We must understand that, during the past year, the conflict between the East and the West has reached the climax, and if this conflict is allowed to take its course, the consequences will be too dreadful to imagine. If the middle-of-the-road political parties in the different nations can unite in effectively removing the friction between the two blocs, so as to carry out Mr. Leon Blum's hope that the third party forces in the world may be used to help the United Nations to reconcile the differences between the United States and Soviet Russia, it will certainly be a most timely proposal.

"The middle-of-the-road parties are the concrete political organizations of those liberals in the world who love peace. Only through these organizations can the liberal political theories and views be effectively carried out. There can be no doubt, therefore, that all peace-loving people in the world have great expectations in the development of the third party forces in the world."

NEW BOOKS OF INTEREST

Objective Analysis

DANGER FROM THE EAST, *by Richard E. Lauterbach. Published by Harper and Brothers, New York, 1947. pp. 430. US$3.75. Reviewed by Owen Lattimore in the New York Herald Tribune Weekly Book Review Section.*

MR. Lauterbach is not the only one to be congratulated on his new book. The committee who award the Nieman Fellowships in Journalism and the special Harvard "intensive regional seminar on China and related areas" can both be proud that in Mr. Lauterbach they picked a winner. In "Danger From the East" Mr. Lauterbach has shown what a first-class journalist can do when, after covering the ground, seeing things and talking with people for himself, he is given the time to reflect, to read not only in his subject, but all around it, and to work over his material until he can make it stand up under seminar discussion and criticism by experts.

In his previous books, both about Russia, Mr. Lauterbach passed cum laude the tests for a first-string correspondent of the big-time press. He could talk, crowd or, when necessary, simply wait his way through difficult situations. He could make people talk. He could vividly bring to readers in America the scenes, people, concerns, worries, hopes and conversations of a very distant and different country. He could make unfamiliar subject matter comprehensible without making it too slick or glib, and without making it seem either too exotic or too easy. He could like and trust people, as people, and make them like and trust him, and at the same time hold on to his individual independence of thought and attitude without being taken in by any propaganda line or —which is much more difficult—succumbing to that community influence which tends to color a man's mind when he likes and gets on with the people he is among and they like and get on with him.

In "Danger From the East" Mr. Lauterbach reports on and critically reviews his observations and experiences in Japan, Korea and China —three countries as hard to assess as Russia. In each of these countries American policy has been severely tested in the two years since the end of the war. In each of them our policy has proved sound in some respects and has revealed grave deficiencies in other respects. To each of these countries we have sent some men of whom America can be proud —men who by honesty and ability have got sound results. To each of them we have also sent men who failed—some because they were incompetent, others because they did not have even the elements of the training they should have had.

Mr. Lauterbach's quality as both reporter and commentator is proved by his ability to present his mixed report with great objectivity and yet with a warm, personal touch. He gives you plenty to think about, but he does not try to do all your thinking for you. He sets it up so that you can go on from where he leaves off. And he is the only writer I have met for a long, long time who, in assembling the pieces of a complicated problem, can quote Izvestia and Pravda for straight evidence without giving you the suspicion that, by quoting, he has slanted the evidence one way or the other.

In the introduction, where he explains his title of "Danger From the East," Mr. Lauterbach writes his bluntest paragraph:

There is danger in our non-perceptive efforts to suppress, to channel or to guide the course of Asia's revolution. In China and Korea, and in Japan to a lesser degree, we are engaged in a struggle of ideas with the Soviet Union—our way of life against theirs. There is danger that we may lose the struggle of ideas through the shortsightedness of our policy-makers and the stupidity of some of our representatives charged with carrying out policy.

With that for a take-off, Mr. Lauterbach goes on to his discussion of "MacArthur's Japan," "Hodge's Korea" and "Marshall's China."

At the risk of distorting the careful and many-sided job Mr. Lauterbach has done on MacArthur's Japan, I cite a few sentences in which he gives his own opinions. "By education and experience, Douglas MacArthur appears to be eminently suited for his exalted status as Japan's shogun," but some of the G. I.'s under his command "resent his aloofness." During the first winter of the occupation Mr. Lauterbach's impression was that "we were conspicuously lacking in the experts needed to check on ultra-nationalistic organizations, on schools, on textbooks, on civil liberties, on reconversion or on any SCAP orders. The gap between theory and practice was enormous." And as for our success in instilling democracy, "the elections in April, 1947, indicated that the 'spiritual change' which MacArthur kept seeing in Japan was actually fairly superficial."

Perhaps Lauterbach's biggest and most sensational story is his account of Korea. Though Korea is a small country, our failure there has been our biggest failure in Asia, and it will have repercussions all over Asia. In their part of Korea the Russians have been tough. The number of Koreans who have fled from the Russian zone to our zone is sometimes estimated at a million and a half. But one thing the Russians do not appear to have done; they have not alienated the leftists, the radicals and the poor peasants who are the biggest single group in the population. The most serious criticism of our policy is that while we have favored the rightists, we have also split and confused them and have repeatedly outraged the nationalism even of conservatives. Mr. Lauterbach believes that "many democratic Koreans will fight the Russian occupation in the north as obdurately as others will fight the American domination in the south;" but in May, 1946, a poll conducted for American Intelligence revealed that 53 per cent of Koreans questioned said that they had an "unfavorable" impression of the Americans, and at the height of the food crisis in 1946, 49 per cent of Seoul's citizens would have preferred the hated Japanese to the Americans.

In his China experience Mr. Lauterbach met and talked with the Generalissimo and Madame Chiang, with Chou En-lai, the Communist, and with Chen Li-fu, the Kuomintang party boss, who told him that "when you are ready and able to wipe out Russia then we will be ready and able to wipe out the [Chinese] Communists." By far his most vivid story from China, however, is his account of accompanying an American colonel who headed a Marshall "truce team" trying to negotiate a ceasefire in the civil war in Manchuria. His account of the American colonel, straightforward, blunt, courageous without bombast, and yet able to handle the subtleties of Chinese "face-pidgin" with subtlety, makes one proud of the Americans who nearly won, and gallantly lost, the attempt to settle the Chinese civil war by mediation. In this chapter there are revealing insights into the emotions, as well as the attitudes, of Kuomintang and Communist officers and of the common people of Manchuria.

In his summing up Mr. Lauterbach makes two points. I agree with these points so profoundly that I quote them without comment. One is that "the pattern of United States foreign policy is far more apparent to the supposedly poorly informed Asiatic than it is to the supposedly well informed American. They know what makes us tick." The other is: "The inherent danger of America's present position . . . is that we may force people to make a choice (which they do not want to make) between the American way and the Soviet way."

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